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Part I: Co-operation and Association

ARGENTINA.

MISCELLANEOUS NEWS.

1. — A NATIONAL ASSOCIATION FOR THE EXTENSION OF THE DAIRY INDUSTRY. — The improvement of dairy cows and the dairy industry have some time been making considerable progress in Argentina. The favourable conditions of the country, indeed, promise a brilliant future for this important branch of agricultural industry. What, however, is necessary for the organisation of the parties interested: association, indeed, has from many times been one of the most effectual conditions of success in this kind of rural activity. Agricultural association in Argentina is still in its infancy (1), but, already, together with the promising experiments being made in the field of co-operative purchase and sale, especially in the provinces of Entre-Rios and Santa-Fé, we also observe a tendency towards association among the dairy farmers.

We have already spoken in an earlier Bulletin (2) of attempts made to institute cow-testing societies. We shall now mention an event of great importance in connection with the matter.

In a meeting held in the beginning of February at the head quarters of the Argentine Rural Society, on the initiative of Dr. P. Bergès, a large group of representatives of the dairy industry laid the foundation of a national association to bear the name "Asociación Nacional de Lechería." It will become a member of the International Dairy Federation at Brussels.

The association proposes to undertake the defence of the permanent interests of the dairy industry, to urge upon the public author-

(1) See *Bulletin of Economic and Social Intelligence*, December, 1913. "The Co-operative Movement in Argentine Agriculture".

(2) See the same Bulletin, April, 1914, page 1. "Cow Testing Associations".

ities the adoption of measures for the development of the production, trade in dairy produce and to ensure that the country is represented dairy congresses and international exhibitions.

The executive committee which is to manage the association includes six commissions, concerned: the first, with the production of milk and the scientific maintenance of the dairy and of the cows; second with the sale of milk for consumption and the sterilization plant; third with the manufacture of butter; the fourth with the manufacture of cheese; the fifth with the manufacture of other dairy produce and products; the sixth with legislation, education and trade.

The new association, to which the principal societies, both commercial and co-operative, have adhered, hopes to exert as early as possible a beneficent action in favour of the industry which is now passing through a critical period on account of epidemic thrush and the increased provincial and municipal taxes.

(Summarised from the *Nación*, Buenos Aires, February, 1914 and *Anales de la Sociedad Rural Argentina*, January-February, 1914).

* *

2. — THE WORK OF AN IMPORTANT ARGENTINE AGRICULTURAL CO-OPERATIVE SOCIETY.—The Province of Entre-Rios, the prosperous Mesopotamia of Argentina, is, with those of Buenos Aires and Santa-Fé, the district of the Republic in which agricultural co-operation is making most progress. A fine example of this promising social movement is given by the *Luca Gonzales Mutual*, which in a few years has attained considerable importance.

The society was founded in 1908 as a society limited by shares, as is most of the Argentine co-operative associations; its objects are various including collective purchase, sale, credit and insurance.

On December 31st., 1913, it had 471 members and a capital of 140,000 pesos.

It is installed in a building of the value of 22,611 pesos, including besides the hall for the meetings etc., a school and a workshop. It has recently built an iron shed for a warehouse at a cost of 4,500 pesos. The society has its own monthly journal: *El Colono*.

During the year it arranged grants of loans to its members to a total of 54,546 pesos, at 8 % interest, which, in the conditions of rural Argentina, is certainly not high.

It bought 50 tons of linseed for distribution among 68 members at cost price (12.50 pesos the quintal); as well as 100,000 grain bags, which it sold to members at a rate (0.29 peso each) slightly above cost price but still below the market rate.

The *Mutual*, as we have said, also undertakes insurance, especially hail insurance; it has insured against hail 39,104 ha. sown with flax, wheat

oats, barley, and canary grass, for an amount of 1,347,118 pesos, for which collected 53,884 pesos in premiums (4 % of the assured value). The assured members gave bills. In the last season, 1913-1914, the society paid 4,876 pesos in claims, to 22 policy holders, the maximum claim being 510 pesos and the minimum 8 pesos.

The association has been exempted by the provincial government from the necessity of taking out a licence and from all dues and taxes: the other co-operative societies of the region have made application for similar concessions and a bill for the purpose is under study.

At the last general meeting, it was decided to reserve 75 % of the share capital to constitute the initial capital of the *Banco de la Colonia*, a institution already contemplated in the rules, and the necessity for which is felt more and more. This institute will be a new instrument in the hands of the society and will increase its agricultural credit business, acting as an intermediary between the members and the banks.

(Summarised from the *Gaceta Rural*, Buenos Aires, March, 1914).

* *

3. — A CONGRESS OF AGRICULTURAL CO-OPERATIVE SOCIETIES. — In December last year, a congress of agricultural co-operative societies was held at Santa-Fé at which 18 societies were represented: the delegates occupied themselves especially with co-operative legislation and urged the approval of a law fixing the basis and regulating the working of these associations. Up to the present indeed the co-operative societies are not regulated by special laws but are considered as societies in common law (1). Various draft laws on co-operation are awaiting discussion.

The Congress further demanded the following facilitations for the agricultural co-operative societies: exemption from all provincial and municipal taxes for ten years; exemption from the necessity of taking out a licence; reduction of rates of transport, concession of warehouses for grain to the railway companies, preferably to co-operative societies.

Further, a desire was expressed that only those should be considered co-operative societies that act in behalf of members and that societies paying dividends to directors, be prohibited from assuming this title.

Finally, the institution of a federation of agricultural co-operative societies was decided on.

(Summarised from the *Anales de la Sociedad Rural Argentina*, Buenos Aires, January-February, 1914).

* *

4. — CO-OPERATION AND HOME COLONISATION. — The chief problem of Argentine agricultural economy has always been that of colonisation:

(1) See *Bulletin of Economic and Social Intelligence*, December, 1913, "The Co-operative Movement in Argentine Agriculture".

the land of the Republic has need of labourers, but of labourers resident on the spot, of colonists who *arraigan* as the people of the country say, that is become landowners and constitute a permanent rural population. Such settlers are now called for with greater insistence by the upper class who see in them the most efficacious means for extirpating the germs of agricultural socialism which are taking root in the most fertile and populous provinces of the *grain region*. There has been no lack of bills introduced on the matter: an entire scheme of agricultural reforms, (1) in connection with the institution of the *Banco agricolo nacional*, which is to be founded has for some time been before Congress, awaiting discussion.

Meanwhile, some of the leading persons of the *Defensa Agraria Nacional* (2) have submitted a memorial to the Minister of Agriculture, in which they lay down the lines for a system of colonisation on a co-operative basis. Taking advantage of the sympathy shown by some landowners who have offered land for the purpose, and relying on the assistance of the Bank of the Nation, until the special credit institute is founded, the *Defensa Agraria* hopes to be able to form prosperous groups of colonies by applying the co-operative principle on a large scale, starting with collective purchase and gradually going on to the other more complex forms of credit sale etc.

A new institution, the *agricultural register*, must serve as a witness to the economic and moral situation of the colonist, and so smooth his way in working the farm. "Industry and honesty," says the report, "are a valuable capital." The colonist who possesses these qualities, when he desires to obtain a holding of his own and a credit at the bank, will enter his name in the agricultural register. Until the law appoints special offices for the purpose, the register shall be kept in those of the *Defensa Agraria*.

Each colonist, when registering, shall declare his true financial and economic situation, subject to prosecution for false declaration; he shall indicate his place of origin, the number of members in his family, the live stock he possesses and the method he proposes for purchasing the lot as shall oblige himself not to employ paid labourers. If he has debts he must declare them.

The *Defensa Agraria* shall form agricultural colonies consisting of at least 100 families on land granted by private owners; the colonists must be entered on the register. Every colony shall be formed into a co-operative credit society; every family may thus obtain a loan from the Bank of the Nation, redeemable in three years' instalments. The amounts received on credit shall be administered by the *Defensa Agraria*, which shall first

(1) See *Bulletin of Economic and Social Intelligence*, October, 1913: "Some Indications of the Economic and Agricultural Progress of Argentina" and December, 1913, "The Co-operative Movement in Argentine Agriculture".

(2) An institution founded as a result of the agricultural crisis produced by drought in the south of the Province of Buenos Aires and in Pampa: its object is to protect the common interests of the farmers and to encourage the development of agriculture and livestock improvement.

found a co-operative distributive society to which every colonist shall contribute by taking a share : the balance of each loan shall be delivered to the colonist on condition of his purchasing two Berkshire or Large Black pigs, a dairy cow, plough horses, poultry, seeds etc.

These holdings must be declared by law undistrainable.

Besides the co-operative distributive society, there must be founded either on a co-operative society for the sale of the members' produce, a co-operative transport society etc.

In every colony, finally, a lot shall be reserved for a model farm to be assigned to an experienced farmer, who shall cultivate it according to the instructions of the *Defensa Agraria*. The colonists must visit this farm every week and adopt the same methods of cultivation on their own farms.

The *Defensa Agraria* will undertake to deal with the landowners : some of its officers, as is natural, shall be paid.

These proposals seem to have met with the approval of the Minister of Agriculture.

(Summarised from the *Nación*, Buenos Aires, February 27th, 1914).

AUSTRIA.

REGISTERED CO-OPERATIVE SOCIETIES AND FEDERATION ON JANUARY 1st., 1913.

The "*Oesterreichische landwirtschaftliche Genossenschaftspresse*" in its issue of February 10th., (No. 255) 1914, published statistics of the registered co-operative societies and federations in Austria on January 1st., 1913, in accordance with information supplied by the I. R. Central Statistical Commission. It appears from the article that, while in the preceding fifteen years there was a constant increase in the number of new societies founded, reaching its maximum in 1911 with 1,646 new registered institutions, in 1912 there was a falling off; in fact, the number of new societies founded that year was only 1,365. The increase, which in 1912 was 10 % fell to 7.2 %, while the dissolutions increased from 1.7 to 1.8 %.

The reason for this is that recent events have shown the advisability of proceeding very cautiously in the foundation of new societies; at the same time weaker organizations have disappeared. The increase in the different groups was: in the Schulze Delitzsch credit co-operative societies 7.1 %, in the Raiffeisen Banks 4.1 %, in the distributive societies 7.3 %, in the agricultural societies 10.6 %, in the industrial societies 12.2 %, in the group of co-operative building societies, now making great progress, 25.1 % (in 1911 56.4 %) and in the small group of the remaining societies 14.8 %).

The farmers have displayed the greatest activity in behalf of their organization; 26.5 % of the entire increase is represented by agricultural co-operative societies and 24.6 % by the Raiffeisen rural banks; then come the other co-operative credit societies, 19.9 %, the industrial societies 10.2 %, the building societies 11 % and the distributive societies 7.3 %. However, the share of the farmers in the decrease, represented by the dissolution of 347 societies, was also large; in fact, 32.2 % of the entire decrease was in agricultural co-operative societies and 3.7 % in rural banks; then 2.3 % in industrial societies, 14.7 % in the other co-operative credit societies, 16.7 % in distributive societies, and 8 % in building societies.

As regards the increase and decrease in the various provinces, there is first of all to be noted an extraordinary activity in Galicia in the direction of founding societies; in this province, in 1912, the co-operative societies increased 11.1 %; the province thus shared in the total increase to the amount of 34.2 %.

The decrease in this province was only 1.5 %, or 18.4 % of the total number of dissolutions in the year. In Bohemia there was an increase of 1 %, corresponding with 25.4 % of the total increase, and 2.0 % of the Bohemian societies were dissolved, that is to say 27.4 % of the total number dissolved. Moravia shared in the total increase in the proportion of 10.7 %, the other provinces the increase was in proportion to their economic development. In Carniola and Trieste there was indeed an increase but it was as great as in the preceding year. In 1912 Trieste lost 8.3 % of its societies and Carniola 7.4 %.

In Galicia 162 Schulze-Dehitzsch banks were founded, that is to say the majority of those founded in 1912; however, at the same time, 30 were dissolved. In Galicia also the largest number of Raiffeisen Banks (136) were founded.

The largest number of distributive societies (42) were registered in Bohemia, in this kingdom also the largest number of societies (24) were dissolved. The provinces in which there was the largest increase of agricultural co-operative societies were Galicia (109), Tyrol (55) and Lower Austria (40); the largest number of dissolutions in this group took place in Bohemia (32) and Carniola (24). There were 52 new industrial societies founded in Bohemia, 31 in Galicia and 22 in Moravia; the largest numbers dissolved belonged to Bohemia and Galicia (17 in each case). With regard to building societies, Bohemia comes first with 74 new foundations, then Moravia and Vienna with 17 each; there were 12 societies of this group dissolved in Bohemia, and 4 in Moravia and Vienna each.

The following table is drawn up from information given in the above article of the "*Oesterreichische landwirtschaftliche Genossenschaftspresse*".

| Date | Number of Registered Co-operative Societies | Co-operative Credit Societies | Co-operative Distributive Societies | Agricultural Co-operative Societies | Industrial Co-operative Societies | Co-operative Building Societies | Other Co-operative Societies | Federations |
|----------------------|---|-------------------------------|-------------------------------------|-------------------------------------|-----------------------------------|---------------------------------|------------------------------|-------------|
| January 1st., 1912 . | 17,819 | 11,579 | 1,428 | 3,175 | 1,099 | 478 | 54 | 92 |
| January 1st., 1913 . | 18,837 | 12,123 | 1,471 | 3,425 | 1,161 | 601 | 56 | 95 |
| Increase | 1,365 | 608 | 101 | 362 | 141 | 151 | 8 | 4 |
| Reduction | 347 | 64 | 58 | 112 | 79 | 28 | 6 | 1 |

These 18,837 registered societies may be distributed as follows according to nationality:

| | | |
|------------------------|----------|------------|
| German | Nº 6,538 | (= 34.7 %) |
| Bohemian | " 5,303 | (= 28.2 %) |
| Polish | " 2,917 | (= 15.5 %) |
| Ruthenian | " 1,525 | (= 8.1 %) |
| Slovenian | " 952 | (= 5.1 %) |
| Serbo-Croat | " 488 | (= 2.5 %) |
| Italian | " 896 | (= 4.8 %) |
| Roumanian | " 218 | (= 1.1 %) |
| Total . . . Nº. 18,837 | | (= 100 %) |

CANADA.

THE SASKATCHEWAN CO-OPERATIVE ELEVATOR COMPANY.

following article has been supplied to us by Mr. T. K. DOHERTY, Canadian Correspondent of the International Institute of Agriculture, under whose direction it was prepared.

§. I. INCORPORATION AND POWERS

The Saskatchewan Co-operative Elevator Company was incorporated the Saskatchewan Legislature in March, 1911. It was created in response to the requests of the organised farmers of Saskatchewan, who claimed they were not fairly treated by the corporate interests which, in a measure, controlled the grain trade. Its purpose was to establish a company of farmers as well directed and as strong financially as any existing corporation in the grain trade and thereby raise the standard of business practice and insure a larger measure of fairness.

By the Act of incorporation the company is given power "to construct, acquire, maintain and operate grain elevators within Saskatchewan, to buy and sell grain, and generally to do all things incidental to the production, storing and marketing of grain."

The capital stock of the company is not a fixed amount as in the case with ordinary companies: it may be changed from time to time by the Government. This is because the Government loans the company a large percentage of its subscribed capital and therefore has retained the control of the amount of stock the company may issue. The stock is divided into shares of fifty dollars each which can be held only by farmers, and no person can hold more than twenty shares. Only 15 % of the face value of the shares need be paid in advance; the remaining 85 % is subject to call. The liability of a shareholder is limited to the amount of stock he holds.

The company is to establish local elevators at different points, and one of these elevators will have a local Board of Management. The general management is in the hands of a Board of nine directors, elected

at the general meetings of the company, who exercise all such power of the company as are not by the Act required to be exercised by the company in general meetings or as are not conferred by by-law of the company upon the local Boards of Management, and any other power not contrary to the provisions of the Act which may be conferred upon them by the by-laws of the company. Wide powers have been given to the Board of Directors because such a central body has a great advantage over a number of scattered units in such matters as selling grain, employing managers, inspecting elevators and records, purchasing building materials and supplies, making financial arrangements, etc.

§ 2. LOCAL ELEVATORS.

Any number of shareholders may request the directors of the company to buy one of the elevators at their shipping point, or to build a new one. It must appear to the satisfaction of the directors "that the amount of shares held by the supporters of the proposed local elevator is at least equal to the value of the proposed elevator, that five per cent. of the amount of such shares has been paid up and that the aggregate annual crop acreage of the said shareholders represents a proportion of not less than 2,000 acres for each 10,000 bushels of elevator capacity asked for." These requirements are designed to secure and maintain the interest and support of a sufficient number of the actual grain growing farmers to insure the success of the local elevator even if grain other than that grown by shareholders were handled by the elevator. No pledge or guarantee of any kind is required of the shareholder. He is as much at liberty as any other farmer to ship his grain as he pleases or to sell it to the highest bidder. His interest in the company, however, makes it practically certain that he will do his business through it.

Each local elevator has a Board of Management consisting of five of the shareholders elected annually. At all meetings of the supporters of the local elevator each shareholder has one vote for each share held by him up to five. The local elevators are represented by delegates at the general meetings of the Company.

§ 3. GOVERNMENT ASSISTANCE.

By the Act the money for the work of organisation of the company was to be given by the Government to the extent of \$ 6,000 if necessary. This was not to be repaid by the company. The Government lends to the company, for the purpose of aiding in the acquisition and construction of any local elevator a sum not exceeding eighty-five per

of the estimated cost of the elevator. This money is repayable in yearly annual instalments.

For the purpose of carrying on its business the company may borrow on a bank on the security of part of its stock that is not paid up. It may hypothecate to the bank the grain which it will buy, and it may mortgage any real or personal property rights and assets it acquires. The Government neither gives nor loans to the company any money with which to buy grain or carry on any other lines of business.

§ 4. DIVISION OF PROFITS.

The balance remaining of the money earned by the company, after expenses of operating and maintaining the elevators and the amounts due the Government on loans are paid, is distributed as follows:

1. The company may at its discretion pay out of the surplus to each shareholder a dividend of not more than ten per cent.

2. If after the said dividends, if any, are paid, there remains a balance the company may at its discretion distribute:

(a) To the shareholders of the company such sums as may be fixed by the company but not exceeding fifty per cent. of such balance on a co-operative basis, each shareholder being entitled to receive such share hereunder as shall be fairly and equitably proportionate to the volume of business which he has brought to the company; or

(b) To the supporters of locals such sums as the company may fix but not exceeding fifty per cent of such balance on the basis of the relative net financial results of the respective locals; or

(c) To the shareholders and supporters of locals partly according to each of the schemes of distribution provided for in clauses (a) and (b) and in this subsection such sums as the company may fix but not exceeding the aggregate fifty per cent. of such balance.

(d) Or in lieu of any or all of the payments authorized under any of the next preceeding subsection as aforesaid it may apply such surplus or balance to the extent of fifty per cent. thereof for the general purposes of the company or in making provision for the same.

§ 5. THE WORK OF THE COMPANY.

Since its inception the company has been increasingly successful in its work. During the year ending July 31st., 1913, 137 elevators were operated. There were handled by these elevators 12,899,030 bushels of grain, 4,384,635 bushels of which were purchased by the company and 4,395 bushels specially binned for farmers. The commission department of the Company at Winnipeg handled 8,515,037 bushels of grain

on commission, and also sold for the elevator department 4,246,649 bushels of the company's purchased grain. The profits for the year amount to \$ 167,926.86.

The authorized share capital was \$ 2,000,000 of which \$ 1,514, were subscribed and \$ 227,152.50 paid up.

A successful future seems to be assured for the company. In November, 1913, the number of local elevators had increased to 192, comprising 13,156 shareholders holding a total of 36,362 shares. Sixty-two persons are employed at the head office, 22 at Winnipeg office and men in the operating department. In addition 145 men were employed in the construction department.

Looking forward to the future development of the company, a factor in the grain marketing situation, the necessity of some action on the part of the company in regard to the carrying of the grain of its patrons further than to the head of the Great Lakes, is being considered by the directors. A close study of the financial and other problems connected with carrying the grain grown by Saskatchewan farmers right through to the consumer is now being conducted, and there is every reason to believe, provided financial arrangements can be made, that the company may be able to effect an improvement in the prices realized by the producer by extending the area of its operations right through to Europe.

2. COUNTRY SCHOOL CLUBS.

OFFICIAL SOURCES :

SCHOOL FAIRS IN CANADA. Information supplied by the several Provincial Departments of Agriculture to the "Agricultural Gazette of Canada", published by the Department of Agriculture, Ottawa, 1914.

OTHER SOURCES :

ARTICLES, NOTES etc., in the Canadian Agricultural Press.

The Canadian Country School Boys' and Girls' Clubs, have only recently been founded within the last few years and in their general principles they resemble those of the United States (1).

Their objects are as follows: (1) to make farmers' children acquainted with the most improved systems of agriculture, livestock

(1) See *Bulletin of Economic and Social Intelligence*, 2nd. year, No. 1.

provement etc.; (2) to arouse their interest in field life, show them possibilities of comfort and of profit afforded by agriculture as compared with other occupations; to educate the young to love nature and appreciate her beauties; (3) to habituate them to the organization of labour, to the search for means by which to succeed in the economic contests to-day.

The organization of these associations is not uniform in all the Canadian provinces; however, they are generally inspired by the same principles.

Whilst among the various schoolfellows there should reign the most genial fellow feeling, it is attempted to keep alive in them a noble spirit of emulation to urge each to do his best. Therefore, the first aim of these School Clubs is to found school fairs, either independently or in connection with the local or provincial agricultural shows. These school fairs are awakening great interest among maturer agriculturists; often private persons offer prizes in money or under other forms; the agricultural papers print a portrait of the prize winner with laudatory remarks. This is enough to excite in the mind of the young the desire to learn, to make progress, to struggle and to taste the sweet satisfaction of victory.

Let us now give some information in regard to the work of these associations, briefly describing their action in the various parts of Canada:

Nova Scotia. — In Nova Scotia the movement for the formation of School Clubs, though of very recent origin, bids fair to produce good results. Already various fairs have been held.

In 1913 various circulars were addressed to the scholars, their masters and parents, explaining the aims and objects of the organization and requesting their co-operation.

We think it well to reproduce in full the form of Constitution and laws of these Nova Scotia clubs, to give a clearer idea of their organization and working.

CONSTITUTION.

I. NAME. — This Club shall be known as the (Name of Section) School Children's (Name of Product) Club.

II. PURPOSES. — The purposes of this Club are: — to make out door work more attractive; to increase our knowledge of Nature in all her phases; to make our best approach the best in garden production; to experiment in the selection of garden seeds, the use of fertilisers and the cultivation of the soil; in short to improve ourselves, our homes, our school and our town in every way we possibly can.

III. MEMBERS. — Any pupil over ten years of age shall be eligible for membership. Those under ten who have reached Grade V are eligible.

IV. OFFICERS. — The officers of the club shall be a President, Vice-President and Secretary. The teacher shall have the general supervision of the club work. Officers shall be elected semi-annually.

V. REPORTS. — The Secretary shall send a Report not later than December 1st. of each year to the Director of Rural Science School, Truro, N. S.

VI. MEETINGS. — The Club shall meet fortnightly, or as often as suggested by the teacher. It is desirable that the parents attend the club meetings.

BY-LAWS.

1. Members of the club must conduct themselves properly at all times; and must read from literature that will help them in their work.

2. Members are permitted to choose club colors; and may make pennants for display at their meetings, at exhibits and wherever deemed proper by the teacher.

3. In contesting for garden prizes, the produce and the land must be measured by the pupil and certified by two disinterested persons.

4. No pupil may win more than two prizes until every contestant has received a prize.

5. In estimating profits, two dollars per acre shall be charged as rent for the land. The boy's work shall be valued at 10 cents an hour. Horse work shall also be 10 cents an hour. Manure shall be charged at \$ 1.00 per cart load.

Seeds and commercial fertilizers shall be charged at their actual cost. The use of hand tools shall be charged each year at the rate of one-tenth of their cost. (With care they should last ten years).

6. Prizes shall be awarded on the following basis:

| | |
|--|------------|
| Greatest yield per acre | 20 points. |
| Best exhibit of produce. | 20 " |
| Best kept garden. | 20 " |
| Best written account of work | 20 " |
| Best profit on investment | 20 " |

Total . . . 100 points.

With regard to the manner in which these fairs are started and conducted, we reproduce the remarks of a school master (1).

(1) From a letter by Mr. B. S. Banks, Principal of the Lawrencetown School, Annapolis County, Nova Scotia, to the "Agricultural Gazette" of Canada.

"Leading citizens, who were willing to guarantee the prize money, led a public meeting, at which a board of management and a committee formulate Rules and Regulations were appointed.

"Special emphasis was laid upon "Home Gardens" planted and cared by the pupils. The "Garden Committee" inspected these gardens at least three times during the season, as the prizes in this department were awarded according to the care taken.

"The exhibits must be the bona fide production of the pupils, including only his own garden products, of which he must exhibit a sample everything grown, good or bad; but insects, mounted and named with history; pressed wild plants; drawings of harmful and useful birds; dried plants; any production in wood, clay or metal, useful or ornamental; collections of native woods; sewing, patching, darning, knitting, painting, writing, essays etc.

"In the three exhibitions so far held, the prize money has been derived from an entrance fee of ten cents and from the sale of ice-cream and confectionery, contributed by the citizens and made and sold by the pupils the visitors at the fair.

"Greater interest is shown by the trustees and parents. Women devote their home duties to teach the pupils needle work on two afternoons each week, as we have no manual training teacher proper.

"From my experience, I can safely say that in any section where co-operation exists between the trustees, parents and pupils, it is possible to have a very successful School Fair."

Quebec. — In Quebec the initiative in the matter of School Agricultural Societies has been taken by the Poultry Department of Macdonald College, Ste Anne de Bellevue, which has promoted Girls' and Boys' Poultry Clubs throughout the Province.

The meetings of these associations cannot usually be held regularly with sufficient frequency; so in order to maintain contact between the members, to keep the object in view and to preserve interest in it, the Poultry Department of Macdonald College publishes a pamphlet every month, which will be sent to all members. The contribution is 10 cents.

Three associations have been founded: the "Girls' and Boys' Poultry Club" at the Lennoxville Academy with 23 members; a second at the Berkshire Academy with 63 members and at the Shawville Academy a third, so with a membership of 63. A board of officers, consisting of a president, vice-president, treasurer and secretary, is elected by the pupils from among their number. The initiators of the movement hope that every school may have just such a club as here organized, and each school send in a representative to a central club to deal exclusively with the arrangements of exhibiting the products at the fairs.

In this way the pupils will be habituated to a rather complex organization of labour, not without its responsibilities: and this is an excellent way to develop their character, to bring out their individualities, and prepare them early for co-operative work.

The first school fair in Quebec Province was held in Pontiac County in connection with the County Agricultural Fair; the result was excellent but it was decided in future to hold the school fair separate, as the work of the children was overshadowed by the larger exhibits.

Ontario. — The organization of the Ontario clubs is somewhat different from that of those of Nova Scotia and Quebec. The preliminary work is undertaken by district representatives of the Department of Agriculture who select a certain number of schools which converge to one centre. Each school is visited and the idea of holding a Fair in Autumn, open solely to the exhibits of the children, is explained. The school is asked to nominate one boy or girl to act as Director of the Rural School Fair Association of the district. Sometimes, the teacher selects the director, but more frequently he or she is elected, and it has been found that the children invariably elect the best boy or girl to represent them.

The district representative then offers to supply seeds or a limited number of eggs to pupils desiring to enter, the condition being that they must exhibit the return from what they have taken.

When all the schools have named their directors, a meeting of the Association is held, usually in the office of the district representative and a President, Vice-President and Secretary are elected from among the boys and girls. They are left as independent as possible, so that they may act freely and may accept the responsibility for their work.

During the summer season the district representative or his assistant visits each of the contestants at home, so as to judge of their work and get into touch with the parents. The fair is held in September or October, a convenient school being generally chosen as the site, right on the cross-roads, so as to be easily accessible to the various contestants.

The clubs have made very rapid progress in Ontario. In 1913, 69 Rural School Fairs were held in 31 counties, taking in the children in 531 schools, making a total of 18,652 entries and having an attendance of 33,375.

Manitoba. — Also in Manitoba, the Boys' and Girls' Clubs have made considerable progress, thanks to grants received from the School Board and the Agricultural Society. In 1913 eight club fairs were held.

Saskatchewan. — In Saskatchewan, not only does the Government give aid to these clubs, but various agricultural associations of the province have shown considerable interest in them and have offered about twenty-five hundred dollars in prizes. So that rapid progress may be anticipated.

From what we have said above, it is clear that the enlightened action of the Agricultural Departments of the various provinces and the other organizations that have promoted these clubs is worthy of all praise for the initiation of a most useful work and for not having shackled it with too many regulations and excessive supervision.

Everything connected with these clubs is eminently practical; for the clubs do not in this way derive a merely theoretical knowledge of agriculture, but are brought into direct and immediate contact with it. Besides, as regards the organization of the clubs and fairs, the scholars are left the fullest liberty of action, so that they may early develop such qualities as may prepare them for future difficulties.

The clubs are also an excellent means for combating rural exodus. When the children have already obtained good results from their farm work, they are less likely to abandon the country to try their fortune in cities. They, finally, will be a potent influence for technical improvement of agricultural systems; a knowledge of new methods, new seeds, new breeds of livestock, of which it is improbable that would otherwise be made known, diffused in the country by the authorities through these clubs. Older farmers, considering with sympathy the attempts and successes of these children, have more than once profited by their experience.

3. MISCELLANEOUS NEWS.

RECENT WORK OF THE WOMEN'S INSTITUTES. — Although we have already once before dealt with the Canadian Women's Institutes in this Bulletin (1), it will be well to give some further particulars with regard to them, especially as in our former article we were only concerned with the Province of Ontario. And also these Women's Institutes — the very name indicates their eminently educational object — have powerfully contributed to improve the position of the Canadian farmwomen, while also raising their intellectual level, and therefore justifying the interest they have aroused, even beyond the limits of the country in which they had their origin. They have been copied with excellent results, especially in the United States, where similar associations have arisen and have made abundant progress (2).

For the internal organization of the Canadian "Women's Institutes", we refer our readers to the article above mentioned.

(1) See our number for May, 1913.

(2) See our number for April, 1912.

Let us now proceed briefly to consider the recent work of the associations in some of the provinces of Canada, beginning with

Ontario. — Here they were first founded and here their development has been most remarkable. At present there are 800 of them, with about 25,000 members. In the year 1912-13, lecturers were sent to 1,377 meetings and 6,204 meetings were held without the assistance of outside lecturers. After some years of a somewhat superficial consideration of domestic science and health problems, the members of the Institute appreciate to the full the systematic courses which are now being offered. In the year 1912-1913, 1,600 persons attended the demonstration lecture courses.

We shall now give the items of the revenue and expenditure of the Ontario Farmwomen's Clubs in the year 1912-1913.

| <i>Revenue.</i> | <i>Dollars</i> | <i>Expenditure.</i> | <i>Dollars</i> |
|------------------------------------|----------------|---------------------------------------|----------------|
| Cash on Hand per Last Report . . . | 14,257 | Expense for Meetings | 21 |
| Members' Fees | 5,728 | Officers' Salaries and Expenses . . . | 28 |
| Grants | 6,534 | Postage and Stationery | 9 |
| Miscellaneous, | 19,674 | Printing and Advertising, | 17 |
| | — | Lecturers' Expenses and Wages . . . | 19 |
| Total Receipts | 46,193 | Books and Periodicals, | 15 |
| | | Miscellaneous, | 16.9 |
| | | Total Expenditure | 278 |

Credit Balance 18,321 Dollars.

Manitoba. — In this province these associations are called Home Economic Societies. Their progress has been very rapid recently. The Department of Agriculture, through the Agricultural College, has directed the work and appointed special inspectors and lecturers to travel through the province, organize new societies, give courses of instruction in those already existing and supervise their work.

Under the direction of the Agricultural Department of the High School at Holland (Manitoba), night classes have been arranged in dairy science and home science.

British Columbia. — There are thirty five women's Institutes in this province, incorporated under the Agricultural Associations Act, with a membership of over 2,000. The work of these institutes has been greatly aided by the Provincial Department of Agriculture and the sum of \$ 2,500 was set aside out of the Federal grant for short course work in connection with Women's Institutes.

New Brunswick. — In New Brunswick, there are 1,000 members in 41 local "Women's Institutes".

In *Saskatchewan* and *Alberta*, domestic science courses have been held though not directly in connection with women's institutes.

Let us close these brief notes with a few figures showing the amounts granted to the various provinces by the Federal Government under the Agricultural Instruction Act, for the Women's Institutes and Domestic Science Instruction.

| | Dollars |
|---|---------|
| <i>Prince Edward Island :</i> | — |
| (Women's Institutes) | 3,000 |
| <i>Nova Scotia :</i> | |
| (Organization of Women's Institutes) | 1,000 |
| <i>New Brunswick :</i> | |
| (Organization of Women's Institutes and other Associations for Women in the Rural Districts). | 3,000 |
| <i>Quebec :</i> | |
| (Domestic Science) | 7,000 |
| <i>Ontario :</i> | |
| (Women's Institutes, with courses of Instruction in Cooking, Dress-making etc.) | 6,500 |
| <i>Manitoba :</i> | |
| (Journeys of a Domestic Economy Teacher, including Expenses, 2,500, Home Economic Societies Demonstration Work Equipment, 2,500). | 5,000 |
| <i>Alberta :</i> | |
| (For Domestic Science) | 2,000 |
| <i>British Columbia :</i> | |
| (For Short Courses in Domestic Science, Hygiene, Home Treatment of the Sick, Dressmaking, Cooking etc. in connection with Women's Institutes) | 2,500 |

The amount of these grants clearly shows the interest the public authorities are taking in the women's institutes and the importance they rightly attach to them.

(From the *Report on the Women's Institutes of the Province of Ontario 1913. Part I*, published by the Ontario Department of Agriculture, Toronto, 1913 and the *Agricultural Gazette of Canada*, published by the Department of Agriculture, Ottawa, Canada. Numbers for January, March, and April, 1913).

FRANCE.

RURAL CO-OPERATIVE BAKEHOUSES.

SOURCES:

STATISTIQUE DES SOCIÉTÉS CO-OPÉRATIVES DE PRODUCTION (*Statistics of Co-operative Societies for Production*). *Bulletin du Ministère du Travail et de la Prévoyance sociale*, November, 1913.

ROCQUIGNY (Comte de): Une Enquête sur les boulangeries coopératives rurales (*An Enquiry into the Rural Co-operative Bakehouses*). *Musée Social*, December, 1899.

§ 1. IMPORTANCE OF BAKEHOUSES IN THE CO-OPERATIVE MOVEMENT IN FRANCE.

The co-operative bakehouses occupy an important position among French co-operative distributive societies. The latest official statistical return compiled from the annual statements of the prefects shows that out of 3,145 co-operative distributive societies of which the existence was known on January 1st., 1913, 2,148 were exclusively bakehouses. Of these 1,160 communicated the number of their members and the amount of their turnover; the total number of members was 272,159 and the total turnover 61,755,500 frs. In addition, 71 bakehouses only communicated the number of their members, 8,546.

The following table shows the distribution of these bakehouses per department. No co-operative bakehouse was reported from the departments not shown in the table.

RURAL CO-OPERATIVE BAKEHOUSES

21

| Department | Total Number of Co-operative Bake-houses | Bakehouses Reporting Number of Members and Amount of Turnover | | | Bakehouses only Reporting Number of Members | |
|----------------------|--|---|---------|-----------|---|---------|
| | | Bake-houses | Members | Turnover | Bake-houses | Members |
| | 5 | 4 | 598 | 103,000 | 1 | 60 |
| ne..... | 33 | 33 | 6,667 | 1,730,000 | — | — |
| er..... | 3 | 3 | 1,007 | 256,000 | — | — |
| as-Alpes..... | 2 | 2 | 191 | 66,000 | — | — |
| ites-Alpes..... | 1 | 1 | 171 | 64,000 | — | — |
| Ache..... | 7 | 6 | 986 | 176,000 | 1 | 17 |
| annes..... | 22 | 22 | 4,001 | 1,240,500 | — | — |
| ige..... | 1 | 1 | 66 | 27,000 | — | — |
| ne..... | 16 | 15 | 2,349 | 1,064,000 | 1 | 87 |
| le..... | 2 | 1 | 104 | 23,500 | 1 | 70 |
| yron..... | 10 | 8 | 2,248 | 402,500 | 2 | 145 |
| ches-du-Rhône..... | 15 | 14 | 1,780 | 455,500 | 1 | 73 |
| ados..... | 2 | 2 | 368 | 86,000 | — | — |
| tal..... | 2 | 2 | 485 | 78,500 | — | — |
| unte..... | 54 | 44 | 8,352 | 3,000,500 | 9 | 1,189 |
| unte-Inferieure..... | 213 | 195 | 31,420 | 6,577,500 | 15 | 1,178 |
| | 7 | 7 | 1,461 | 338,500 | — | — |
| ête..... | 5 | 5 | 1,183 | 216,000 | — | — |
| d'Or..... | 6 | 6 | 986 | 335,000 | — | — |
| ise..... | 1 | 1 | 196 | 87,500 | 1 | 30 |
| logne..... | 8 | 7 | 4,780 | 694,000 | — | — |
| bs..... | 3 | 3 | 751 | 220,000 | — | — |
| ne..... | 2 | 2 | 449 | 71,500 | — | — |
| ot-Loir..... | 1 | 1 | 460 | 75,000 | — | — |
| stère..... | 2 | 2 | 350 | 65,000 | — | — |
| l..... | 34 | 34 | 5,190 | 790,500 | — | — |
| le-Garonne..... | 2 | 1 | 82 | 40,000 | 1 | 70 |
| | 17 | 15 | 2,169 | 515,000 | 2 | 477 |
| nde..... | 99 | 93 | 14,651 | 3,296,000 | 5 | 499 |
| ult..... | 9 | 8 | 1,111 | 230,500 | — | — |
| e..... | 2 | 2 | 167 | 77,000 | — | — |
| e-et-Loire..... | 30 | 28 | 6,845 | 1,442,500 | 2 | 181 |
| | 3 | 3 | 226 | 63,000 | 1 | 90 |
| les..... | 8 | 7 | 1,166 | 335,500 | — | — |
| et-Cher..... | 15 | 15 | 1,467 | 268,000 | — | — |

| Department | Total Number of Co-operative Bake-houses | Bakehouses Reporting Number of Members and Amount of Turnover | | | Bakehouses not Reporting Number of Members | |
|-------------------------------|--|---|---------|------------|--|---------|
| | | Bake-houses | Members | Turnover | Bake-houses | Members |
| Loire | 16 | 16 | 3,957 | 708,000 | — | — |
| Haute-Loire | 5 | 5 | 623 | 91,500 | — | — |
| Loire-Inférieure | 5 | 5 | 2,742 | 515,000 | — | — |
| Loiret | 4 | 3 | 2,330 | 469,000 | 1 | 11 |
| Lot | 1 | 1 | 227 | 27,500 | — | — |
| Lot-et-Garonne | 14 | 12 | 1,794 | 340,500 | 2 | 37 |
| Lozère | 2 | 2 | 278 | 36,500 | — | — |
| Maine-et-Loire | 6 | 5 | 1,278 | 288,500 | 1 | 1 |
| Marne | 3 | 3 | 650 | 130,000 | — | — |
| Haute-Marne | 1 | 1 | 172 | 41,500 | — | — |
| Mayenne | 1 | 1 | 500 | 110,000 | — | — |
| Meuse | 1 | 1 | 56 | 8,500 | — | — |
| Morbihan | 20 | 20 | 5,353 | 1,090,000 | — | — |
| Nièvre | 7 | 5 | 644 | 176,000 | — | — |
| Nord | 66 | 62 | 52,390 | 12,328,000 | 2 | 31 |
| Oise | 11 | 11 | 3,341 | 549,500 | — | — |
| Pas-de-Calais | 8 | 7 | 1,703 | 344,000 | — | — |
| Puy-de-Dôme | 16 | 16 | 1,901 | 379,000 | — | — |
| Basses-Pyrénées | 4 | 3 | 1,070 | 281,500 | 1 | 75 |
| Hautes-Pyrénées | 2 | 1 | 150 | 108,000 | — | — |
| Pyrénées-Orientales | 2 | 2 | 238 | 46,000 | — | — |
| Haut-Rhin (Belfort) | 2 | 2 | 1,040 | 169,000 | — | — |
| Rhône | 23 | 23 | 6,905 | 1,148,000 | — | — |
| Saône-et-Loire | 54 | 54 | 7,187 | 3,669,000 | — | — |
| Sarthe | 7 | 7 | 1,681 | 279,500 | — | — |
| Haute-Savoie | 5 | 5 | 582 | 100,000 | — | — |
| Seine | 3 | 3 | 1,575 | 305,000 | — | — |
| Seine-Inférieure | 4 | 4 | 11,172 | 861,000 | — | — |
| Seine-et-Marne | 12 | 12 | 2,077 | 694,000 | — | — |
| Seine-et-Oise | 9 | 9 | 2,997 | 680,000 | — | — |
| Deux-Sèvres | 101 | 97 | 23,150 | 4,635,500 | 3 | 39 |
| Somme | 8 | 6 | 1,432 | 421,000 | 2 | 26 |
| Tarn | 6 | 4 | 651 | 118,500 | 1 | 23 |
| Tarn-et-Garonne | 5 | 5 | 963 | 149,500 | — | — |
| Var | 22 | 18 | 1,961 | 371,000 | 2 | 28 |

| Department | Total Number of Co-operative Bake-houses | Bakehouses Reporting Number of Members and Amount of Turnover | | | Bakehouses only Reporting Number of Members | |
|---------------------|--|---|---------|------------|---|---------|
| | | Bake-houses | Members | Turnover | Bake-houses | Members |
| Chuse | 29 | 19 | 1,785 | 396,000 | 10 | 712 |
| léc | 38 | 37 | 7,330 | 1,511,000 | — | — |
| ne | 44 | 43 | 6,473 | 1,903,500 | 1 | 117 |
| le-Vienne | 7 | 7 | 1,431 | 255,500 | — | — |
| es | 41 | 40 | 5,887 | 1,459,000 | 1 | 95 |
| dia-Oran | 1 | — | — | — | 1 | 120 |
| Total . . . | 1,248 | 1,160 | 272,159 | 61,775,500 | 71 | 8,546 |

Besides these bakehouses properly so called, there are 622 co-operative societies reported as selling both bread and other articles. Of these 622 societies, 608 communicated both the number of their members (282,247) the amount derived from their sales, whether of bread or other articles (820,500 frs.).

The prefect of Ardennes was able to obtain most interesting information regarding the amount derived exclusively from the sale of bread by certain number of societies in his department engaged at the same time in the sale of bread and that of other articles. In 35 societies the total turnover was 4,166,000 frs. and the amount derived from the sale of bread was 1,573,000 frs. The enquiry did not obtain similar information in the case of the other departments.

It is to be observed further that the information obtained did not always show which of these societies, whether co-operative bakehouses or societies selling both bread and other articles, made their bread themselves. Only the prefect of Ardennes could obtain this information; the bakehouses in his department made their own bread, as did also 31 of the 32 societies reporting to the enquiry, which were engaged at the same time in the sale of bread and of other articles. It is to be predicted that many societies do so: yet there are some which only sell bread obtained from a baker.

Let us finally point out that in the case of some bakehouses in rural communes it is not easy to estimate the turnover, as these societies supply members with bread in exchange for wheat. The prefects reported societies of this character (Basses-Alpes, 1; Bouches-du-Rhône, 4; Charente, 12; Charente-Inférieure, 8; Gironde, 2; Meuse, 1; Oise, 2; Basses-Pyrénées, 1; Hautes-Pyrénées, 1; Deux-Sèvres, 1; Var, 2).

§ 2. DIFFERENT KINDS OF RURAL CO-OPERATIVE BAKEHOUSES.

These rural co-operative bakehouses which, unfortunately, the official enquiry has not distinguished separately, tend to penetrate into every region, following in some sort, step by step, the foundation of industrial bakehouses, promoted on its side by the progressive abandonment of the old custom the farmers' families had of baking their own bread.

The rural co-operative bakehouses assume, according to the enquiry of the *Musée Social*, three special forms :

- 1st. The private civil society, very widely spread in the region of Charente and la Vendée ;
- 2nd. The society with variable capital and variable number of members which is the ordinary type of co-operative distributive society ;
- 3rd. The civil society *en commandite simple*, which seems to be peculiar to Touraine.

We shall consider these three types in order.

1. *The private civil society.* — This kind of society is governed by the provisions of the Civil Code ; its legal form has the advantage that there are no essential formalities for its constitution and that it is exempt from fiscal charges and taxes ; it is thus perfectly adapted for local institutions of a very marked family character. The joint and several liability of members is expressly laid down in the rules.

The rules of the Breadmaking Society of Coulon (Deux-Sèvres), founded in 1881, begin with the following preamble :

"The Coulon Breadmaking Society is a mutual organization, the special object of which is to purchase flour for cash, make bread and supply to its members on more favourable terms than are usually given by the trade. Good quality, uniform weight and moderate prices are the three principal guarantees it offers. By buying wholesale it counts on saving the consumers what they would otherwise have to pay the middlemen."

The members of the co-operative bakehouses of the West do not pay an annual contribution: they pay a simple entrance fee, generally fixed at 5 or 10 frs., a part of which, considered as a share, may be refunded without interest, when the situation of the society allows. But, by a provision quite in accordance with the fraternal solidarity by which the co-operative must be united, persons are often exempted from payment of this entrance fee when they are well known to be unable to pay, and orders for bread are given them on the same conditions as to the other members, "without their having any share in the profits or losses of the society", as is stated in the rules.

Members reaping their own grain, have a right to bake at home, but they are bound to deliver to the society a quantity of bread usually fixed at half that of the household's weekly consumption. They may send their grain to the co-operative bakehouse and receive orders for bread in exchange; the grain is sorted by the society and the price fixed by the

office at the market rate. Yet the member's grain accepted is limited to the requirements of the bakehouse, and no more is received when there is a sufficient quantity in the warehouse.

The price of the bread is fixed, at the end of each month, by the office in accordance with the general expenses of the previous month and the cost price of the merchandise utilised in the month. Orders for bread are sold to the members for cash; they may also obtain flour, bran, embers and ashes either in return for orders or for cash. The mayors of the communes in the district of the society have the right, on 48 hours' notice to the secretary and book-keeper, to take from the bakehouse the amount of bread allowed to the poor; payment is only made at the end of each month or quarter by the Charity Bureau. The members cannot, under pain of expulsion, sell the bread or any other article supplied by the society; but exception is made in favour of innkeepers who are authorised to supply themselves in order to meet the requirements of their profession, and this is perhaps a slight deviation from co-operative principles.

The society is administered by a bureau and a committee of supervision appointed at the General Meeting of shareholders. The members appointed may not refuse office under penalty of a fine. The paid employees are a baker, a bread porter and a secretary and bookkeeper; they are appointed by the bureau and must give security: these offices, for which there are many applicants, are often put up to tender.

In case the dissolution of the society becomes necessary, it is decided at the General Meeting and the bureau is entrusted with the liquidation, the profits or losses being distributed among all the members in proportion to the total amount contributed by each since the society's foundation.

2. *The society with variable capital and variable number of members.* — The bakehouses of this type are regulated by law of July 24th., 1867 on societies.

Their legal object is the purchase of wheat or flour and the exclusive manufacture of bread under the best and cheapest conditions possible. The capital is generally 2,000 or 3,000 frs. An excellent example of this type is the co-operative bakehouse of Montchanin-le-Haut (Saône-et-Loire), founded in 1880 with a capital of 2,000 frs. in 50 francs shares. The first payment of 20 frs., to be made at date of subscription, gives a right to bread credit for a month: on the first Sunday of each month the accounts in the books are regulated and payments made. The member who ceases to order for bread without sufficient reason has ten francs deducted from his share of the capital, to pay the costs of settlement of his account. In conformity with the rules regulating these societies, the obligation incurred by each member is limited to the payment of his subscription. The society is administered by a board of nine members, elected at the members' general meeting for three years, a third of the number of members being elected every year; the secretary and the cashier, elected in the same way, are members of the board by right of office. The cashier is bound to give security to the amount of the initial capital. Four commissary members, ap-

pointed each week, in numerical order, are charged to inspect the whole business of the bakehouse. An ordinary general meeting is held every four months. Every six months there is a general taking of stock, and every month a statement is made of the whole assets and liabilities of the society; these documents are posted at the head office.

After deduction of the expenditure and the charges for the year, the profits must be distributed at the general meetings as follows:

10 % to a reserve fund, which will cease to be compulsory when it amounts to one fourth of the capital;

10 % to a fund for the assistance of members who are recognised to be unable to pay for their bread (the society supplies them with it for one month only and then the general meeting decides by vote in regard to their situation);

80 % to be distributed among all the members by means of a reduction of the price of bread.

In case of liquidation, either anticipated or at the date contemplated in the rules, the assets available after payment of all debts, charges and engagements of the society, are distributed equally among the members in proportion to their contributions.

To meet the case of disputes between members or between the board and members, a conciliation committee of nine members is appointed at the general meeting, to settle, without recourse to legal proceedings, in agreement with the board of management all differences that may arise within the society.

3. *The civil society "en commandite simple".* — As we have already said, the societies of this type are met scarcely anywhere except in Touraine. The provisions of their rules, which exhibit an interesting application of co-operative principles, have been generally imitated from those of the two large co-operative bakehouses of the town of Tours, the *Fraternelle* and the *Ruche tourangelles*. Thus, the co-operative bakehouse of Rochechouart (Indre-et-Loire) is a civil society *en commandite simple* formed to provide its members with the bread they require at as low a price as possible. The members at first paid 40 frs. each, to cover the cost of installation and initial establishment. An administrative commission of 17 members is charged with the business, under the supervision of an examining commission of at least 5 members elected at the general meeting. The members are bound to supply themselves from the bakehouse under pain of being considered as having resigned. The bread is delivered in return for orders or tokens given to each member on his request, for his monthly consumption. The last day of each month, the administrative commission establishes the price of the bread, according to the price of the flour used, taking into account the general expenses, with an additional centime per kg. at least to cover the expenditure and form a thrift fund. In accordance with this price, the accounts of each member for the month are regulated: payments must be made on the 1st. and 15th. of the month following and a receipted invoice given in return showing the amount of bread supplied to the member, the price per kg., and the amount of the debt.

The thrift fund, constituted by means of the addition of 1 centime least to the cost price of the bread, is used to pay off the debt on the plant and installation. After this has been paid off the fund may be used, with the consent of the general meeting, to reduce the price of bread in years of dearth. The surplus profits must remain in the safe until the amount of the members' contributions has been increased from 40 to 60 frs. After that, the profits are distributed among members in proportion to their consumption of bread.

§ 3. THE DEVELOPMENT OF THE RURAL CO-OPERATIVE BAKEHOUSES.

The work of the rural co-operative bakehouses, whatever their type, is essentially different from that of the urban societies, which, as a rule, use the profits derived from the suppression of commercial intermediaries for another use: in the rural societies, as we have seen, they generally prefer the principle of selling their bread as cheaply as possible, or nearly so; they only aim at the immediate profit of the consumers, by means of an economical system of production. The town societies are careful not to sell their bread at the lowest price; they limit themselves to exciting the hope of future profits, that is to say by savings and their moral influence quite different.

Some rural societies have already followed this latter course. For example, the co-operative bakehouse and mill of Uzès (Basses-Pyrénées), founded in April, 1899, for the commune of Uzès and seven other communes in the neighbourhood of Pau, on the initiative of the farmers' syndicate of the Basses-Pyrénées. This society, according to article 2 of its rules, has for its sole object to obtain bread for its members at a rate corresponding with the price of wheat, on the basis of 1 franc per kilo of 4 kg., when wheat is 17 frs. per 80 kgs. The weight of the bread shall be guaranteed and the quality the best possible."

This principle of the *constant relation* of the price of the bread to the price of the wheat is appreciably different from that of the *lowest possible price* and is an important advance. Thus, as M. de Rocquigny very well says, it is not too much to expect that the small rural co-operative bakehouses will be able to improve their rudimentary system a little, and, no longer limiting only for the moment, attempt to perform the honourable office of collectors of the people's savings; in exercising this educative action they will render more appreciable the benefits they are already conferring on the rural population.

If there is a serious obstacle in the competition of the village bakers, themselves in the hands of the large millers, there is a way of overcoming it by organizing bakehouses and mills, which, while they increase the profits of the corporation by getting rid of a double tax on the industry, will

assure their members complete independence in fixing the price of the bread. The exaggerated charges of the millers and the adulteration of the flour will make the realisation of this co-operative idea truly advantageous. The agricultural syndicates understand this well. In 1894, the cantonal division of the agricultural syndicate of the arrondissement of Poligny bought a mill and founded the Arbois Co-operative Mill Society for threshing, sorting, and grinding corn. The Loiret Farm Syndicate has a flourmill in a building attached to its head quarters. It is worked by a special association called an "agricultural industrial syndicate" and renders important services to the peasant farmers of the outskirts of Orleans. We have already mentioned the Uzors co-operative mills and bakehouse. Let us add that its founder reckons that a bakehouse can only succeed on condition it has a mill at its disposal, for the following reasons:

1st. Because it is then able to buy the wheat it requires, get the first choice and supply itself, preferably from its members and adherents, when it pays in orders for bread (at least to a large extent);

2nd. Because when it grinds itself, it is sure of an excellent flour, whole and nutritious, as it is not when it has recourse to a miller;

3rd. Lastly, because a co-operative bakehouse, that has not its own mill, would soon be killed by the millers of the district.

Let us, however, add that it seems necessary to have 400 or 500 co-operatives for a bakehouse and mill to succeed. Finally, the establishment should make only one kind of flour and only one kind of bread; it works for the mass of consumers, not for those who want luxuries. Besides, experience shows that the rich consumers do not supply themselves from the co-operative bakehouses, for their servants, who only receive small commissions from the bakehouses, always find some way to pass them over.

M. de Rocquigny would like to go further and reserve another reason rather than that of providing for the consumption of their members for the farmers' co-operative associations for the economical production of bread. For the farmers, says he, the interest of the producers is of far more importance than that of the consumers; they most of all require to sell their produce at profit and grain is generally their most important produce. Now, when we consider the price paid to the farmer for his grain, and that of the bread sold by the bakers in the towns, we find a considerable difference: in regard to their services, the miller and baker receive a considerable part of the value of the raw material, while the farmer sometimes loses on his produce. Why do the farmers leave this proportion to the intermediaries when co-operation enables them to be millers and bakers themselves? On the same principle on which the co-operative dairies are organized for the transformation of their members' milk into butter, nothing prevents the farmers associating to found and support, first of all in hamlets and later on in towns, co-operative mills and bakehouses as societies for production. They would induce the consumers to have recourse to them, by leaving them a portion of the profits realised through

suppression of the middlemen. Even if this proportion amounted to it is reckoned that the farmer, member of a bakehouse, would sell his at three francs more per quintal, which is not an inconsiderable amount. The establishment of direct relations in this way between the grain ers and the consumers of bread would have other advantages

It would in fact constitute a serious obstacle to speculation in grain flour. The wholesale grain merchants who buy the farmer's grain through ts would be prevented from forming reserve stocks enabling them to ence prices. The grain would be consumed on the spot, in the country e it is reaped, and the economic consequence would be that a large stock tive grain would be out of the reach of speculators and intriguing mid- en.

APPENDIX.

Rules of the Co-operative Bakehouse (la Prévoyante) of Gelos, Mazères-uzos, Rontignon, Narcastet, Assat, Meillon, Aressy.

Art. 1. — The Members of the Farmers' Syndicate of Basses-Pyrénées, e communes of Gelos, Mazères-Lezons, Uzos, Rontignon, Narcastet, t, Meillon and Aressy form amongst themselves and those who shall re hereafter to the present rules, a Co-operative Bakehouse to take name of *Boulangerie Co-opérative La Prévoyante* (La Prévoyante perative Bakehouse).

Art. 2. — The sole object of this co-operative society is to obtain bread s adherents at a price always corresponding with that of wheat, on the of 1 franc per loaf of 4 kg. when wheat is 17 fr. per 80 kg. The weight e bread will be guaranteed and the quality the best possible.

Art. 3. — The Society will be composed of members who shall pay an nce fee of 20 francs. This may be paid in money or in kind.

The Board of Management, in order to facilitate membership for the , will admit adherent members on payment of 5 francs, and they enjoy the same benefits as the members of the society without, ver, being able to take part in the management or direction or d the general meetings.

The amount of the entrance fee paid by the adherent will be ed to his personal account, to which will be added his share in the al profits.

As soon as the amount of profits placed to his account together with eposit of 5 frs. reaches the sum of 20 frs., the amount of the contribu- of the members, the adherent may take rank among the members.

Art. 4. — Every half year a summary statement of the situation of o-operative Bakehouse shall be drawn up.

The net profits, after the deduction of the general expenses of every , shall be distributed as follows, after the complete repayment of the

loans contracted and the discharge of the engagements entered into in respect of the initial installation :

1st. 10 % to form a reserve fund ;

2nd. 5 % to found a thrift fund ;

3rd. 5 % for bonuses to employees ;

4th. 80 % to members and adherents of the society in proportion to the consignments and sales made to each of them.

Art. 5. — Any inhabitant of one of the eight communes mentioned in article 1, or a neighbouring commune, without distinction of sex or nationality, may become a member of the Co-operative Bakehouse at any moment, on payment of the subscription provided, the application, which must be made in writing, is accepted by the Board of Management.

Art. 6. — The period for which the society is founded is unlimited, it does not end with the death or the retirement of one or more members, so that it may continually recruit new members.

Art. 7. — The admission of a member is proved by the entry in the register for the purpose and the immediate consignment to him of a pass book bearing his name in full, the date of his admission and the number of his order.

Art. 8. — Any member may freely leave the society. By withdrawing he will lose all right to his contribution and to any profits that may be distributed, as well as his share in the capitalised reserve fund.

Art. 9. — In case a member dies, his heirs or assigns can only claim the amount in his current account after the inventory has been made and approved at the General Meeting.

Art. 10. — As the co-operative society is in the first place personal, an heir of a deceased co-operator only succeeds him in the society ; a co-operator cannot cede or transfer his rights or his share to a third party without authorization from the Board of Management.

Art. 11. — The Board of Management has power to expel a member from the society ; grounds must be given for the action ; it can then be executed and the person concerned must be given written notice, and shall have right to appeal to the next General Meeting.

Art. 12. — Any member who has been expelled may be readmitted, but cannot be a member of the Board of Management or of the Council of Supervision for a year from date of his readmission.

Art. 13. — To establish his right, any member must present the pass book delivered to him on his admission.

Art. 14. — Applications for admission must be made in writing to the secretary, who must communicate them to the Board of Management at its next meeting.

Art. 15. — The co-operative society is managed by sixteen members elected by ballot, by a majority of votes of the members present, in the proportion of two members for each of the communes mentioned in article 1.

Art. 16. — The members of the Board receive appointment for one year. Any member may be reelected.

Art. 17. — Nobody may be a member of the Board of Management, less he is of age and in the enjoyment of citizen and civil rights.

Art. 18. — The Board of Management shall elect from among its members, a President, two Vice Presidents, a Treasurer, an Assistant Treasurer and a Secretary.

Art. 19. — The Managers shall decide on any administrative action necessitated by the business of the society, by a majority of the members present. They shall represent the society in civil and legal business. They shall buy and sell, establish prices, make payments, and organize the baking business.

Art. 20. — In case of resignation or death of the President, the Vice President shall perform his duties until the next meeting of members.

The President shall have the casting vote.

Art. 21. — The General Meetings of the Society shall be held twice a year, in April and in December.

Art. 22. — All members of the society shall be summoned to the meeting week in advance, by means of posters which shall make known the place, date, and hour of the meeting, as well as the agenda.

Art. 23. — In the April meeting, eight members shall be elected to form a Council of Supervision. This Council will have the duty of examining the books and the business of the Society. At the December meeting, it must present a report on any defects and abuses which may be found in the society and injure the good name of the society.

Art. 24. — The members of the Board of Management cannot, while exercising their functions, be also members of the Council of Supervision. The period for which this Council is appointed and the conditions for eligibility for membership are the same as in the case of the Board of Management.

Art. 25. — The amount of the purchases made by each member are paid by means of the orders or tokens.

Art. 26. — The bread must be paid for in cash, or, as an exception, will be delivered on presentation of orders. In the latter case, the orders must be paid every week.

Art. 27. — The society will also provide the co-operators either with or refuse grain on the most favourable conditions, but at the rate of a cental at a time.

Art. 28. — In the case of those supplying grain and wood to the society, the price of their goods will be reckoned at that of the preceding Monday and will be placed to their credit in their pass books or they will receive payment in money. They may receive grain in exchange for a certain amount of bread or flour. The wood will only be received at the rate of 2 cartloads at a time, in turn.

Art. 29. — The head bakers and bread porters, on entering on their work, shall give security, the amount to be fixed by the Board of Management. The society shall pay them 3 % interest per year. The security shall be repaid to them within a week from their leaving the society.

Art. 20. — The head baker is responsible :

1st. For all the baking material properly so called ;

2nd. For all the provisions in the warehouse, flour, refuse grain, w
etc. He is further entrusted with the supervision of the whole staff.

Art. 31. The baker at the bakehouse at the moment any consignment
is made is bound to examine the quality, quantity and weight of the vari
goods delivered and inform the Council of Supervision.

Art. 32. — Any co-operator, by the mere fact of his admission a
member, is supposed to know and to promise to observe the Rules.

Art. 33. — All political or religious discussions are formally forbid
in the society.

JAPAN.

COLLECTIVE SALE OF CEREALS.

KUMOTSU HAMBAI SOSHUKI NI KWANSURU CHŌSA (*Inquiry into the Organisation of the Sale of Cereals*). Department of Agriculture and Commerce. Tokio, 1911.

NOYO KUMIAI YORAN. (*Report on the Co-operative Societies*). Department of Agriculture and Commerce. Tokio, 1913.

RON NO KOMI, (*Japanese Rice*). Department of Agriculture and Commerce. Tokio, 1912.

1 NIPPON TEIKOKU TŌKEI NENKAN. (*Statistical Yearbook of the Japanese Empire*). Published by the Imperial Statistical Bureau. Tokio, 1913.

§ 1. INTRODUCTION.

The organisation of the sale of cereals in Japan was necessitated by uses of quite the same kind as in the majority of those countries in which the sale has been organized. In few countries, however, have these causes been so potent as in Japan, where the special conditions of the superabundant rural population, 80 % of which we may say is engaged in the cultivation of rice or other cereals, or in industries auxiliary to such cultivation, are such that interests which affect a more or less limited proportion of the population in the largest grain producing countries, in Japan, affected quite more than half the entire nation.

In fact, when we consider that the rural inhabitants of Japan still today, in spite of the considerable exodus to the large centres, constitute more than 80 % of the population, and remember that of them 80 % are engaged, as we have said, in the cultivation of cereals, it will be easily understood that, even on a moderate reckoning, the Japanese grain producers form more than three fifths of the whole nation.

In view of their numbers, we may logically admit that the interests of the producers and of the consumers to a large extent correspond, since, it is well to repeat it, in Japan the producers of cereals and more especially rice form altogether the majority of the consumers. In a recent article (1), we have already dealt in detail with the fluctuations in price of

(1) Cf. The article, "Fluctuations in Prices and Wages". *Bulletin of Economic and Social Intelligence*, February, 1914, pp. 129 et seqq.

cereals generally and of rice in particular, in the last few years. We shall not return to the subject, but we cannot help mentioning how often such fluctuations are due to artificial causes and how much more they are the result of the intrigues of speculators than of the real condition of the market.

It is not, however, to be imagined that the fever of speculation, which has become so pronounced of late, was altogether unknown in Japan in the past. The idea of co-operation among the producers for the defence of the common interests when selling their produce is certainly no new thing there: a first and admirable example we find in those *beiken soko* (1) (general rice warehouses, founded in the seventeenth and eighteenth centuries and now prospering and flourishing again under a somewhat changed form, resembling very closely the *monti frumentari* instituted in the sixteenth and seventeenth centuries in certain Italian cities.

However, these *beiken-soko* could not by themselves be a sufficient check to speculation on the one hand, nor a sufficient aid to the producer on the other; their necessarily limited number and their concentration in particular localities were the principal causes of this.

The State, though granting them moral support and not a few facilities, did not directly intervene to maintain or to found them, and left it to private persons to proceed on their own account to the defence of their own interests as producers and consumers against the intrigues and in positions of speculators.

There were two types of institution for the organization of the sale of cereals, namely:

- 1st. co-operative societies for sale,
- 2nd. associations for collective sale.

We shall now speak in detail of each of these types of organization and give in each case a few examples so as to show more clearly their constitution, working and efficacy.

§ 2. CO-OPERATIVE SALE SOCIETIES.

We have elsewhere spoken of the Japanese co-operative sale societies (2) and shall only return to the subject in so far as concerns those especially occupied with the sale of cereals. It must, however, be observed that many of them engage indeed in the business but as a quite secondary matter; they sell grain as they would sell any other produce of their members. It is not these we intend to study.

There are, also, co-operative sale societies, for which the sale of cereals and more especially of rice, is, if not their only, at least their principal business.

(1) Cfr. *Bulletin of Economic and Social Intelligence*, June, 1913, pp. 147 et seqq.

(2) Cfr. *Bulletin of Economic and Social Intelligence*, January, 1913.

These special co-operative societies are rather few, particularly when compared with the many co-operative sale societies or co-operative societies conducting sales as part of their business. Unfortunately, we have not the latest statistics relating to the subject: in any case, it is well to observe that, in this field, the actual figures have only a very relative value; that, even taking into account the fairly important development of co-operative movement in Japan, the number of societies occupied almost exclusively with the sales of cereals cannot vary much. In 1910 we see that while there were 2,627 co-operative societies engaged in sale and other business, there were only 209 exclusively engaged in sale. Nor is this all. The Department of Agriculture and Commerce of Tokio, after a very careful enquiry into the organization of the sale of cereals completed early in 1913, is of the opinion that of these sale societies few have been successful in the sale of cereals. Indeed, the Department itself, in its report, after an examination of the communications on the subject received from the local authorities entrusted with the enquiry, states that only 16 had been able to conduct business successfully and gives abundant details of their working. In dealing with the constitution and work of a certain number of the most important of these societies, we shall say a few words in regard to their general constitution and business.

These co-operative sale societies as a rule do not limit their operation to the sale of cereals, but at the same time engage:

1st. to keep the cereals in their warehouses up to the date when they can be most profitably sold;

2nd. to subject the cereals to such treatment (hulling, grinding etc.) as such sorting and packing as may facilitate their sale.

The constitution of these societies and their work differs therefore somewhat according to the kind of business they do.

They may be grouped in three principal classes: co-operative societies for credit and sale; co-operative societies for production and sale; co-operative societies for production, credit and sale.

In the co-operative societies of the first class there is a special sales department, with suitable warehouses to receive the grain of their members. The sale is made at request of the members, and, sometimes, at the decision of the manager of the society. The price is paid on completion of the sale. Sale may also be effected after treatment of the cereals (hulling, grinding etc.) From the purchase price the society deducts, in addition to any cost for treatment, also its charges for rent, storage, commissions etc.

Besides these sale operations, the co-operative credit and sale societies conduct credit business. They have, that is, a special office for this business, which consists generally in loans or advances at low interest, the security of the deposits in the warehouse, and is repaid at the moment of sale.

In the societies of the second class (production and sale), sale is effected in an exactly similar way.

As regards production, there is a special department with storehouse for the members' produce. The members may produce individually collectively. These societies neither grant loans nor advances; however they give warrants for the grain deposited. These warrants have various names (*beiken*, *baku-ken*), according to the class of grain.

The producing member may only 'sell through the society. The method of sale is, as we have said, identical with that in use in co-operative credit and sale societies.

Finally in the co-operative societies of the third class (productive credit and sale), we find the special characteristics of each of the two preceding classes for each of the kinds of business they perform in common with them.

Having thus briefly treated the constitution and working of the societies, let us now give some examples from the report of the minister's enquiry, limiting ourselves to those that may have some interest for readers.

Before, however, beginning this practical examination, we think it well to make certain general observations that will serve to explain the facts to be given later.

It is necessary first of all to observe that these small societies, which are a real providence for the small Japanese farmer, are strictly local in character; which, if on the one hand it greatly limits their material importance and the extent of their business, does not at all affect their social importance. If the reader, therefore, finds the figures small which reproduce below, he must remember the special character of these societies and principally their essentially local nature. On the other hand, these are the most common characters of the whole economic and social development of Japan. While in most countries of advanced economic progress there is a marked tendency towards concentration of the various activities in a few powerful corporations and while the great development of the latter produces a system of competition in which the smaller corporations are forced to disappear or to unite with their rivals, in Japan we find a distinctly different state of things. Decentralisation here is most marked. Independent organizations are started in various points of the country, according to local requirements, establishing territorial limits for themselves and even imposing limits on themselves, beyond which they do not extend their action. The limitation of their field of action implies a corresponding limitation of their local activity. These various associations recognise in their absolute independence a necessary condition of their existence, and even the most flourishing of them are not ignorant that to engage in a struggle with their rivals, even if it led to victory, and to increase their importance, would be most unlikely, in view of local conditions, to give them the tangible benefit of a real increase of production. And, therefore, we find in Japan this strange and interesting phenomenon of the foundation of innumerable associations, agricultural societies, co-operative societies, guilds, trades unions etc., which all, while very insignificant in respect to the number of their members or the amount of their business

however, have a most important action in promoting the social and material welfare, and, in spite of their limited business, make no contemptible profits.

All this is seen of course much more in the country than in the thickly inhabited centres, where, with a radical change of the general conditions of economic and social life, competition becomes a necessity as in other lands.

So much premised, we pass to the detailed examination of the business of certain of the most characteristic co-operative societies engaged in the collective sale of cereals.

§ 3. EXAMPLES OF CO-OPERATIVE SOCIETIES FOR THE COLLECTIVE SALE OF CEREALS.

(A). *Co-operative Society of Toyochi.*

Toyochi is a little village of the province of Miye, with little more than 500 souls, in about 350 houses. These inhabitants, like the large majority of the rural population of Japan, are occupied in agriculture and at the same time carry on certain auxiliary industries, such as silkworm rearing, the collection of fuel, charcoal burning etc.

The Toyochi co-operative society was founded on December, 27th, 1906 under the form of a limited liability co-operative credit, purchase and sale society; at the end of 1909 it had 277 members, a very large number in proportion to the small population. At the same date, the share capital, consisting of 1,064 shares of 20 yen (1) each, amounted to 21,280 yen, (54,902 frs.); the net credits amounted to 23,560 yen or 56,785 frs. The society possesses also storehouses for cereals and a complete supply of implements and machinery for treating rice. The operations may be divided, as is natural in view of the nature of the society, into three principal classes: credit, purchase and sale operations.

The credit business done in the first three working years may be summarised as under:

| | 1907 | 1908 | 1909 |
|----------------------------|--------|--------|--------|
| Amounts Lent yen | 47,003 | 53,552 | 56,758 |
| Savings " 10,656 | | 13,948 | 8,369 |

It follows that, on an average, in the year 1909, for example, each member could have had a loan of about 205 yen (529 frs.), a respectable

(1) 1 Yen = 2.58 fr.

amount in view of the conditions of these small farmers. The decrease in the savings in the last year is to be ascribed to the general condition referred to in previous articles. (Effects of the crisis of 1907-8).

In respect to the purchase business we have the following figures:

| | 1907 | 1908 | 1909 |
|---|-----------|-------|-------|
| (a) Purchase of agricultural implements, manure, ploughs, bags and other material required for production or sale | yen 6,535 | 1,534 | 4,544 |
| (b) Purchase of food supplies, tobacco, petroleum, school materials and other articles of consumption. | " 888 | 697 | 827 |

In respect to the sale business, which, as we know, is the principal work of the society, we have the following figures respecting the sale of husked rice, in the period from October, 1909 to October, 1910.

| | Quantity (t) (Koku) | Amount (Yen) |
|--|------------------------|-----------------|
| Sold to the Military Authorities | 2,245 | 32,206 |
| " " others | 119 | 1,420 |
| Total | 2,364 | 33,626 |

It is seen from these figures that most of the sales were made to the military authorities: in many cases these sale societies supply the garrison within the sphere of their activity to the mutual advantage of both parties, of the military administration which can thus obtain cereals at lower price than by buying directly on the markets and of the society which finds an easy and profitable sale for its goods. We shall see below, in reference to this, what purchases were made by the separate commissariat office of Ujina from certain sale co-operative societies.

To close this short account of the work of the Toyochi co-operative society, we shall reproduce its balance sheet for 1909.

(1) 1 Koku = 1.8 hl.

Balance Sheet of the Toyochi Co-operative Society (working year 1909.)(a) *Credits.*

| | | |
|---|-----|-----------|
| Share Capital not Paid up | yen | 10,640.00 |
| Loans to Members | " | 19,005.99 |
| Deposits with Credit Institutes | " | 2,722.40 |
| Real Estate | " | 1,080.00 |
| Furniture | " | 220.00 |
| Advances | " | 6,208.60 |
| Interest not Collected | " | 291.00 |
| Goods | " | 956.57 |
| Cash | " | 204.84 |
| Total | | 41,330.39 |

(a) *Debits.*

| | | |
|--------------------------------|-----|-----------|
| Capital Paid up | yen | 21,280.00 |
| Deposits | " | 17,468.33 |
| Interest | " | 299.87 |
| Reserve Fund | " | 539.40 |
| Special Reserve Fund | " | 318.28 |
| Credit Balance | " | 1,424.51 |
| Total | | 41,330.39 |

(B) *Co-operative Society of Aritama.*

This society was founded in the heart of one of the richest provinces of Japan, that of Shizuoka, which, besides being one of the most advanced in an agricultural sense, was also the cradle of the Japanese co-operative movement. The produce of the soil of the village of Aritama (District of Hamana) is most varied: rice, wheat, ginger, hemp, tobacco etc. In addition, the industries auxiliary to agriculture, such as silkworm rearing, silk spinning etc. are there held in high honour. Notwithstanding this, as the financial position was not always flourishing, transport was difficult and costly and the risks were not covered, the need was early felt for making some provision. Indeed, after the war between China and Japan (1895), the country had suffered so much that the constitution of a co-operative society became absolutely necessary. First of all a co-operative credit society was founded: ten years later, in 1905, it was

transformed and took its present form of a co-operative society for credit sale and production.

At the end of 1909, after four years' working, it had 332 members, 2 of them engaged in agriculture. Its capital consisted of 435 shares of yen each. Indeed, to make it easier, even for the least well off, to become members, it is laid down in the rules that those who are not rich may be admitted to membership on payment of 2 yen at date of entrance, the balance to be paid in successive instalments.

As the organization of this society does not substantially differ from that of Toyochi, with which we have just dealt, we shall not describe it over again. We shall only give a few figures from which an idea may be formed of the progressive development of the business during the first four years.

(a) *Purchase Operations.*

The total amount of the purchase business of the society conducted between 1906 and 1909 is shown in the following figures :

| | | | | | |
|----------------|-----|--------|----------------|-----|------|
| 1906 | yen | 7,225 | 1908 | yen | 14,3 |
| 1907 | " | 15,884 | 1909 | " | 15,5 |

(b) *Sale Operations.*

The total amount of the sale business in the same period was under :

| | | | | | |
|----------------|-----|--------|----------------|-----|------|
| 1906 | yen | 7,697 | 1908 | yen | 9,5 |
| 1907 | " | 14,449 | 1909 | " | 13,6 |

(c) *Separate Commissariat Office of Ujina, (1) and the Purchase of Cereals for the Co-operative Sale Societies.*

To show clearly the full importance of the small co-operative societies for the sale of cereals to be found in various parts of Japan, instead of continuing the fragmentary study of the work of the individual societies, it will be more useful to give some figures showing how the military authorities address themselves to these societies to obtain their supplies. We have already incidentally referred to this class of operations when speaking of the Toyochi society ; we shall now say something in regard to purchases made by one of the separate commissariat departments, that of Ujina, from these sale societies.

Let us first of all give a table showing these operations in detail, according to the provinces in which the societies selling have their headquarters and according to the goods purchased.

(1) Ujina is at a little distance from Hiroshima and the War Department has an important office there.

Particulars of Purchases made by the Ujina Commissariat Office from the Co-operative Sale Societies in Various Provinces.

| Province | Goods Bought | Amount of Goods Bought (in yen) | | |
|------------|-------------------------|---------------------------------|---------|--------|
| | | 1908 | 1909 | 1910 |
| Shima (30) | Rice | 76,274 | 33,415 | 2,260 |
| | Rye | 2,566 | 8,390 | 3,212 |
| | Wheat | — | 222 | — |
| | Other Goods | 405 | 6,542 | 6,183 |
| | Total . . . | 79,245 | 48,569 | 11,655 |
| Yama (68) | Rice | 74,480 | 251,134 | 55,436 |
| | Rye | 850 | — | — |
| | Wheat | — | 5,261 | — |
| | Total . . . | 75,130 | 256,395 | 55,436 |
| I (19) | Rice | 50,225 | 58,461 | 1,958 |
| | Rye | 163 | — | — |
| | Total . . . | 50,388 | 58,461 | 1,958 |
| Ne (3) | Rice | — | 20,893 | — |
| | Rye | — | 4,019 | — |
| | Other Goods | 4,895 | — | — |
| | Total . . . | 4,895 | 24,912 | — |
| Go (28) | Rice | — | 25,658 | — |
| Wu (1) | Various Goods | 2,277 | — | — |
| Guchi (1) | Rice | — | — | 2,226 |
| | Total . . . | 211,935 | 413,995 | 71,275 |

N. B. — The figures in parenthesis after the names of each province represent the number of societies in the province from which purchase was made.
The figures for 1910 refer to operations conducted up to the end of August.

It must first of all be observed that the figures for 1910 are rather low, because they refer to business conducted up to the end of August, the very much more important purchases for the winter supplies, always conducted in autumn after the harvest, are not included. Not less interesting than the above figures are those in the following comparative table of the purchases made by the Commissariat Department from co-operative societies and from private persons.

Comparative Table of Purchases of Cereals made by the Separate Commissariat Office of Ujina, from Co-operative Sale Societies and from Private Persons (in yen).

| Goods Purchased | Amounts of Goods Purchased (in yen) | | | | | | | |
|---------------------|-------------------------------------|-----------------|---------|------------------------|-----------------|---------|------------------------|-----------------|
| | 1908 | | | 1909 | | | 1910 | |
| | Co-operative Societies | Private Persons | Total | Co-operative Societies | Private Persons | Total | Co-operative Societies | Private Persons |
| Rice | 200,779 | 357,264 | 558,043 | 389,561 | — | 389,561 | 61,880 | — |
| Rye | 3,379 | 195,770 | 199,349 | 12,409 | 73,694 | 86,103 | 3,212 | 47,321 |
| Wheat | — | 24,609 | 24,609 | 5,483 | 4,602 | 10,085 | — | — |
| Flour | 405 | 842 | 1,247 | 554 | 9 | 563 | 250 | — |
| Other Goods | 7,172 | 19,681 | 26,853 | 5,988 | 4,753 | 10,741 | 5,933 | — |
| Total | 211,935 | 598,166 | 810,101 | 413,995 | 83,058 | 497,053 | 71,275 | 47,321 |

The most important conclusion to be drawn from the figures given above is that since 1909, the Ujina commissariat has made its purchases of rice, the most important of the articles of consumption it bought, entirely from the co-operative societies, absolutely abandoning the system of purchase from private persons.

§ 4. COLLECTIVE SALE OF BARLEY AND OTHER CEREALS.

In recent years, among the many industries that have assumed great importance in Japan, one of the principal is brewing. In 1912 there were in Japan 950 large and small breweries and *saké* factories. But it is chiefly of the large breweries making beer of European type we shall now speak. In 1902, they produced little more than 160,000 hl.; in 1912 the amount increased to more than 330,000 hl. The barley grown is now naturally almost entirely absorbed by this new industry, the requirements of which increase from year to year. Consequently, if the supply in any way did not correspond with the demand, either the interests of the industrialists or of the farmers would suffer. To prevent this, certain agricultural societies have

undertaken to act as intermediaries between the brewers and the farmers, thus exert a beneficent regulating action.

In a single year, 1911, about 20,000 hl. of barley were thus sold to the brewers by six societies. We shall examine in detail the operations thus conducted by one of them, the *Agricultural Society of the Province of Kana-*

a. This society makes collective sales exclusively to the brewery of Meiji (Tokio), belonging to the *Dai-Nippon Biru Kabushiki-Kwaisha* (Limited Liability Society for Brewing Dai-Nippon Beer). The society, after agreement with the managers of the Brewery, estimates the approximate amount of barley required for the coming year; then, chiefly through affiliated societies scattered over the province, it urges the farmers to conclude special contracts with the breweries, by which they bind themselves to supply a certain quantity of barley of definite quality within a stated period. In this way, supply and demand are suitably regulated to the advantage of both parties. When the time comes for the delivery of the barley the samples are inspected: a special commission on which are represented both the purchasing breweries and the agricultural societies, and on which there are also officers attached to the experimental farms, fixes the standard, after an examination of the samples sent by the various farmers. When the barley is delivered, it is examined, compared with the standard and classified according to its quality.

The price is fixed, in accordance with the provisions of the contract, by the manager of the brewery and the manager of the society. The prices vary slightly from each other, especially in regard to the additions made to the standard price.

The standard price is always the average of the prices on the Tokyo market during the ten days preceding the coming into force of the contract. To this are added the amounts required to cover the general expenses. In 1908 four qualities of barley were considered: the additional expenditure calculated as follows:

(a) If the standard price was less than 6 yen per koku, the contract price for the four qualities was established by adding to the standard price respectively 2.20 yen for the 1st. quality, 1.60 yen for the second, 1.20 yen for the third, and 0.90 yen for the fourth;

(b) If the standard price was more than 6 yen per koku, the amounts added were 2.00 yen for the first quality, 1.40 yen for the second, 1.00 yen for the third and 0.80 yen for the fourth.

In 1909 there were only three qualities of barley considered. The standard price was calculated as in the previous year. The additional amounts were 2.20 yen, 1.60 yen and 1.30 yen respectively for the three qualities, if the standard price was less than 6 yen per koku, and 2.00 yen, 1.40 yen and 1.10 yen, respectively, if the standard price was more than 6 yen per koku.

In 1910 again there were three classes of barley and the standard price was calculated as before. The additions to be made were 2.40 yen, 1.80 yen and 1.30 yen respectively when the standard price was less than

7 yen; when it was greater the additional amounts were fixed by agreement on each occasion.

The cost of transport is borne by the producer who must deliver to at the station; any charges for storage must, however, be borne by the brewer.

There would be no use in going into further particulars. We think it, however, advisable to reproduce here some general facts with regard to the consumption of barley in the breweries and the part the co-operative sale societies have taken in supplying it to them.

The following table shows the actual consumption of barley in the three years 1908, 1909 and 1910 by the Limited Liability Society for Brews Dai Nippon Beer (*Dai Nippon Biru Kabushiki Kaisha*) compared with the amount estimated in the contracts (in *Koku*).

| | 1908 | 1909 | 1910 |
|------------------------------|-------|-------|-------|
| Estimated Amount | 1,000 | 2,500 | 3,000 |
| Actual Consumption | 955 | 2,481 | 2,425 |

The following figures show the total profits of the producers through the collective sale of their barley by the societies of agriculture.

| Year | Quantity and Amount of Barley Sold | | Average Price per Koku Sold | Current Price on the Exchange | Difference between the Price Obtained and the Price on the Exchange | Total Profit of the Producers |
|---------------|------------------------------------|--------|-----------------------------|-------------------------------|---|-------------------------------|
| | Koku | Yen | Yen | Yen | Yen | Yen |
| 1908. | 955 | 7,029 | 7.36 | 6.11 | 1.25 | 1,176 |
| 1909. | 2,481 | 17,609 | 7.10 | 5.79 | 1.31 | 3,298 |
| 1910. | 2,425 | 17,064 | 7.04 | 5.50 | 1.54 | 3,775 |

It is worth noting that the profits of the producers are constantly increasing: this is the principal reason that incites them to resort more and more to this system of sale.

Without further illustration and other examples, we shall make a few brief remarks on some other co-operative associations concerned with the collective sale of cereals.

We shall first of all mention that the Society of Agriculture of the Iwagawa Province in 1910 began the collective sale of wheat, and the results have been from the start more than satisfactory.

But even independently of the agricultural societies, in recent times co-operative societies for production and sale have been formed to provide special industrial establishments, and more particularly breweries, with

in they require, thus obtaining the advantages set forth at the beginning of this section. We shall mention among these the Co-operative Society of the Barley Farmers of Kawaoka (Province of Kyoto), which supplies special quality of barley to the *Osaka Asahi Biryu Kabushiki Kaisha* (Limited Liability Society of Osaka for the Production of Asahi Beer). What most characteristic of this society is that the members are bound to pay sum called *hoshokin* (security), in proportion to the area cultivated by them with barley, to some extent as a substitute for the purchase of shares. This security is 30 *sen* per *tan* (1) of land cultivated with barley before the admission of the farmer as a member and 50 *sen* per *tan* of other land. In addition, for reasons already given, the area cultivated with barley may not be increased *ad libitum*, but the society imposes on its members limits necessary to preserve the balance of the supply and demand.

(1) 1 *sen* = 0.25 fr.; 1 *tan* = 9.9 a. Consequently 30 *sen* per *tan* corresponds to about 3 fr. per ha.

Part II: Insurance and Thrift

BELGIUM.

PROGRESS OF LIVESTOCK INSURANCE IN BELGIUM.

By way of completion of the information already supplied (1) on the development of the Belgian professional unions of syndicates for the purchase of farm requisites and of rural banks, we shall give a few statistics relating to livestock insurance from the last official report of the associations of agricultural interest, published by the Department of Agriculture, relating to the end of 1911.

§ 1. COMPULSORY LIVESTOCK INSURANCE.

In West Flanders livestock insurance has been compulsory since 1837, entitles to compensation for losses due to slaughter of livestock ordered by public authorities and the rejection of the meat as unsuited for consumption.

In 1911 the business done by the *West Flanders Compulsory Livestock Insurance Fund* was as follows :

Number of Head of Livestock Insured.

| | |
|---|---------|
| Horned Cattle, three months or more old | 290,017 |
| Horses, one year or more old | 40,753 |
| Sheep, three months or more old | 16,077 |
| Mules, one year or more old | 2,083 |
| Asses, one year or more old | 413 |
| Total | 349,343 |

(1) See *Bulletin of Economic and Social Intelligence*, May, 1914.

Amount of Premiums.

| | frs. | |
|-------------------------|-----------|--|
| Horned Cattle | 72,926.50 | at the rate of 0.25 fr. per head, three months old or over |
| Horses | 20,777.50 | " " " 0.50 fr. per head, one year old or over |
| Sheep | 637.95 | " " " 0.03 fr. per head, three months old or over (minimum 0.15 fr.). |
| Mules | 621.60 | " " " 0.30 fr. per head, one year old or over |
| Asses | 61.65 | " " " 0.15 fr. per head, one year old or over |
| Total | 95,025.20 | |

Amount of Claims Paid in 1911.

| | frs. |
|--|--------|
| For 488 horses (maximum 60 fr.) | 28.99 |
| For 1,753 head of horned cattle (ordinary cases) | 135.30 |
| For 1 " " " " (tuberculosis, supplementary compensation) | |
| For 63 " " " " (anthrax, supplementary compensation) | 1.75 |
| For 170 " " " " (aphthous fever, supplementary compensation) | 2.74 |
| For 20 mules (maximum 20 fr.) | 5 |
| For 7 asses (maximum 20 fr.) | 14 |
| For 135 sheep | 1.35 |
| For 2,657 head of livestock in all | 170.74 |

On January 1st., 1912, the fund amounted to 1,554,575.94 frs.

§ 2. MUTUAL LIVESTOCK INSURANCE.

In the Province of Antwerp there is a *Voluntary Livestock Insurance Fund*, to which 4,252 farmers belonged in 1911, who had insured 12,125 head of horned cattle for 5,206,225 frs. The amount paid in claims 143,448 fr.

In the other provinces livestock are insured by local mutual societies generally paying compensation to the amount of two thirds of the value of the animals lost.

In West Flanders and the province of Antwerp such societies form a useful supplement to the above funds.

We shall now give some information in regard to the insurance of various kinds of animals.

(a) *Insurance of Horned Cattle.*

Voluntary horned cattle insurance made considerable progress in 1911. On December 31st. of that year there were in Belgium 1,339 mutual societies (6 of them recognised societies), with altogether 115,246 members. They insured 320,605 head of horned cattle for an amount of 119,604,026 frs. The losses in the year were 9,444. In 1,486 cases Government gave indemnification to a total amount of 160,541 frs. In addition to the Government assistance and the proceeds from the sale of the livestock, the total amount paid by the societies amounted to 1,555,441 frs. The amounts received from members (premiums, entrance fees etc.) in 1911 came to 1,269 frs. The assets of the societies on December 31st. of that year amounted to 1,192,745 frs.

The 1,339 societies were distributed as follows in the various provinces: Flanders 278, Brabant 237, Limbourg 173, Antwerp 143, Liège 131, Luxembourg 120, Namur 109, Hainaut 92, West Flanders 56. Most of the mutual societies are united in Federations or provincial reinsurance societies. The following table gives statistics of reinsurance of horned cattle for 1911.

Cattle Reinsurance Societies.

| Name of Society | Number of Local Societies Affiliated to the Federations | Number of Cattle Insured by Local Societies | Amount of Compensation granted by the Federations | Working Expenses of the Federations | Amount of Premiums Paid by the Societies to the Reinsurance Societies | Subsidies from the Provinces | Subsidies from the Government | Share of the Federations |
|--|---|---|---|-------------------------------------|---|------------------------------|-------------------------------|--------------------------|
| | | | fr. | fr. | fr. | fr. | fr. | fr. |
| East Flanders Cattle Reinsurance Federation, at Ghent | 196 | 69,952 | 87,560 | 4,980 | 55,380 | 15,000 | 25,000 | 550 |
| Province of Limbourg Cattle Reinsurance Federation, at Hasselt | 162 | 49,731 | 60,125 | 2,000 | 35,478 | 5,000 | 25,000 | 617 |
| Province of Brabant Cattle Reinsurance Federation, at Louvain | 108 | 27,127 | 37,685 | 1,955 | 29,690 | — | 22,366 | 104 |
| Province of Liège Cattle Reinsurance Federation, at Liège | 84 | 24,022 | 68,000 | 600 | 29,888 | — | 22,444 | 478 |
| Province of Hainaut Cattle Reinsurance Federation, at Mons | 66 | 9,030 | 11,972 | 836 | 11,790 | 1,000 | 11,850 | 174 |
| Cattle Reinsurance Federation at Turnhout | 56 | 20,838 | 56,311 | 1,275 | 26,635 | 7,410 | 17,833 | 246 |
| Cattle Reinsurance Federation at Heyst-op-den-Berg | 21 | 8,200 | 21,960 | 400 | 8,146 | 3,150 | 5,463 | 50 |
| Province of Luxembourg Cattle Reinsurance Federation, at Arlon | 55 | 2,960 | 7,230 | 1,000 | 5,704 | 1,400 | 5,827 | 801 |
| Province of Brabant Cattle Reinsurance Federation, at Brussels | 17 | 7,829 | 30,675 | 296 | 19,848 | 10,000 | — | 10 |
| Cattle Reinsurance Federation, at Hanne-sche | 21 | 2,355 | 4,413 | 600 | 3,962 | — | 3,662 | 50 |
| Reinsurance Division of the Agricultural Fund of the Province of Antwerp | 17 | 5,084 | 4,557 | 250 | 2,542 | 3,050 | 1,704 | 46 |
| Cattle Reinsurance Federation at Namur | 71 | 6,344 | 23,930 | 500 | 15,080 | 4,750 | 13,285 | 254 |
| West Flanders Cattle Reinsurance Federation, at Roulers | 31 | 9,908 | 10,280 | 175 | 4,954 | 1,194 | 4,954 | 15 |
| Neutral Cattle Reinsurance Federation of Hainaut, at Thulin | 8 | 1,546 | 1,454 | — | 1,410 | — | 1,410 | 11 |
| Cattle Reinsurance Federation, at Burdigne | 7 | 764 | 1,998 | 200 | 1,118 | — | 1,118 | 50 |
| Cattle Reinsurance Federation at Bruges | 7 | 1,790 | 1,045 | 100 | 530 | 250 | 530 | 10 |
| Total . . . | 927 | 247,480 | 429,195 | 15,067 | 252,155 | 52,204 | 166,707 | 9650 |

Of 1,266 legally recognised mutual societies as shown above, 927 or 73.22% were reinsured.

(b) Farm Horse and Stallion Insurance.

Farm horses were insured in Belgium in 1911 by 250 recognised mutual societies, with 33,344 members, distributed as follows according to province: East Flanders 51, Brabant 44, Limbourg 43, West Flanders 40, Antwerp 31, Luxembourg 19, Liège 13, Hainaut 7, Namur 2. They insured 68,855 horses a total value of 64,035,820 frs.

The number of losses in the year was 1,920 and the amount paid in claims was 982,006 frs.. Premiums had been collected to the amount of 1,438 frs. On December 31st. the assets of these societies amounted to 1,589 frs.

Like the mutual horned cattle insurance societies these we are now covering also reinsure to a large extent. And in fact of the 250 mutual societies existing 242 were reinsured, distributed in 11 federations. These societies had altogether reinsured 51,958 horses, for an amount of 303 frs, to which must be added 23,176 frs., in provincial subventions, 157,260 frs., Government subvention. In the same year these federations paid claims to their members to the amount of 435,864 frs.

It must, finally, be mentioned that at the same date there were in Belgium mutual stallion insurance societies with 743 members, insuring 1,007 stallions for an amount of 3,820,600 frs. In the year there were 27 losses, for which the societies had to pay 98,475 frs. in claims to members from whom they had collected premiums to the amount of 59,499 frs. On December 31st., 1911, the total assets of these societies amounted to 133,004 frs.

(c) Goat Insurance Societies.

In 1911 there were 494 goat insurance societies, most of them in East Flanders (216) and West Flanders (195). They had 47,560 members and insured 63,785 head for an amount of 1,240,383 frs.

In the year there were 4,934 losses, for which the societies had to pay 170 frs. in compensation to members from whom they had collected premiums 39,794 frs.

These risks also are reinsured by 479 societies, united in 5 federations.

(d) Pig Insurance Societies.

This branch of insurance is less common. From the statistical results we see that there were only 149 mutual societies of the kind, insuring 95 pigs, belonging to 11,994 members. There are also pig reinsurance societies. In 1911 there were six, to which 128 societies were affiliated.

ITALY.

OFFICIAL ENQUIRY INTO SAVINGS IN ITALY IN THE YEARS 1911 AND 1912.

SOURCES :

NOTIZIE STATISTICHE SUL RISPARMIO IN ITALIA NEGLI ANNI 1911 E 1912. Parte II. Società ordinarie e co-operative di credito. Annali del Credito e della Previdenza (*Statistical Information on Savings in Italy in the Years 1911 and 1912. Part II. Ordinary and Co-operative Credit Societies. Annals of Credit and Thrift*). Series II. Vol. 2. Ministero di Agricoltura, Industria e Commercio. Direzione generale del Credito e della Previdenza. Roma. Tipografia Nazionale di Bertero e Co., 1914.

The General Management of Credit and Thrift at the Department Agriculture, Industry and Commerce has recently terminated an interesting statistical enquiry into the fluctuations in the amount of the deposits held in trust by the ordinary and co-operative credit societies in the years 1911 and 1912. This enquiry, extended to about 2,600 institutes, completed that into the deposits in the Ordinary and Postal Savings Banks and Postal Institutes, the report of which was published last year (1).

For the classification of the various kinds of deposits the terminology in general use was employed, and, leaving out of consideration deposits at sight (for the most part merely placed in safekeeping), the rest are generally divided into savings deposits, deposits in current account and fixed term deposits.

Savings deposits differ from those in current account in that, while the former remain more or less time in the banks as real and true investments, those in current account are not invested really but rather deposited with intention of future investment, rather to be sure of the safety of the money than to increase it.

There are also corresponding extrinsic differences, the higher rate of interest on savings deposits, the minimum and maximum fixed for the deposits, higher for those in current account; the absence of any maximum limit of the credit bearing interest in current account, and the short term for notice of withdrawal.

(1) See *Bulletin of Economic and Social Intelligence*, September, 1913, pp. 65 et seq.

Finally, by fixed term deposits are meant those in the ordinary banks and co-operative credit societies deposited in return for interest bearing bonds and those generally redeemable at long notice, especially large sums at unusually high interest. In some measure the extraordinary or time deposits in the savings banks correspond with the above.

However, the classification is not made on the same principles in all the banks, nor is the classification always made on the same principles in the same bank. Hence there are merely apparent differences in the increases and decreases in the amounts deposited under the different heads, so that in order to judge correctly of the real increase or decrease of the deposits, we must in the last resort consider their total amount without distinction of classes.

So much premised, let us now consider the principal results of the enquiry.

§ 1. DEPOSITS IN THE ORDINARY CREDIT SOCIETIES.

The ordinary credit societies legally existing on December 31st., 1911 were 188 and those legally existing on December 31st., 1912 were 192. Of these, 165 were considered in 1911 and 162 in 1912. The following table shows the fluctuation in the total amount of deposits held by them.

Ordinary Credit Societies — Deposits.

| Month | 1911 — frs. | 1912 — frs. |
|---------------------|-------------------|-------------------|
| January | 910,714,771 | 982,180,769 |
| February | 914,166,273 | 985,815,534 |
| March | 923,629,670 | 991,857,631 |
| April | 942,306,969 | 987,597,017 |
| May | 946,434,351 | 987,580,585 |
| June | 954,197,516 | 988,299,044 |
| July | 970,942,353 | 1,006,841,077 |
| August | 974,984,806 | 1,006,104,529 |
| September | 967,280,086 | 1,002,490,302 |
| October | 947,917,202 | 992,104,528 |
| November | 954,008,018 | 994,277,754 |
| December | 963,932,417 | 1,010,174,272 |

From this table we see that the amount considerably increased in these two years. The increase was, however, greater in 1911 than in 1912. In fact while in only eleven months, from the end of January, 1911 to the end of December, 1911, the increase was 53,217,646 frs., in the whole of 1912 the increase was only 46,241,755 frs.

At the end of January, 1911, and at the end of each of the years considered, the deposits were distributed as follows in the three classes mentioned above:

| | Savings Deposits — frs. | Deposits in Current Account — frs. | Fixed Term Deposits — frs. |
|------------------------------|----------------------------------|---|-------------------------------------|
| on January 31st., 1911 . . . | 486,770,232 | 290,852,778 | 133,091,761 |
| » December 31st., 1911 . . . | 528,527,322 | 287,695,977 | 147,709,118 |
| » December 31st., 1912 . . . | 560,730,438 | 300,691,361 | 148,752,473 |

The savings deposits, forming more than half the total deposits of the ordinary banks, have varied in proportion to the total, showing a constant increase, greater in 1911 and less in 1912. On the other hand, the deposits in current account showed a decrease of about 3,000,000 in 1911 against an increase of 13,000,000 frs. in 1912. Finally, the fixed term deposits showed a considerable increase in 1911, while in 1912 their amount remained almost unvaried.

§ 2. DEPOSITS IN THE CO-OPERATIVE CREDIT SOCIETIES WITH LIABILITY LIMITED BY SHARES.

In respect to the deposits in the Co-operative Credit Societies, we must distinguish between limited liability societies (People's Banks) and unlimited societies (Rural Banks).

Of the first, amongst which the most important group is that of the People's Banks, 664 were considered in each of the years in question, out of a total of 817 existing at the end of 1911 and 813 at the end of 1912.

In contrast with what is found in the case of the ordinary banks, the increase of the deposits in the co-operative credit societies limited by shares has really been arrested in these two years, since, although in 1911 there was a considerable increase, this was counterbalanced by an equally appreciable decrease in 1912, so that the total amount of the deposits, as is seen in the following table, was hardly 1,500,000 frs. more at the end of 1912 than at the end of January, 1911.

Co-operative Credit Societies Limited by Shares. - Deposits.

| Amount — | 1911 — frs. | 1912 — frs. |
|---------------------|-------------------|-------------------|
| January | 1,146,151,430 | 1,173,137,681 |
| February | 1,146,121,486 | 1,174,931,386 |
| March | 1,153,617,726 | 1,169,460,665 |
| April | 1,160,999,717 | 1,167,613,497 |
| May | 1,168,452,439 | 1,160,320,569 |
| June | 1,165,490,072 | 1,146,393,948 |
| July | 1,173,628,052 | 1,152,922,706 |
| August | 1,179,227,338 | 1,153,150,837 |
| September | 1,166,960,141 | 1,140,175,544 |
| October | 1,155,133,514 | 1,135,407,392 |
| November | 1,156,630,475 | 1,141,984,221 |
| December | 1,164,664,676 | 1,147,660,719 |

The deposits were distributed as follows at the end of January, 1911 and the end of December, 1911 and December, 1912.

| | Savings Deposits — frs. | Deposits in Current Account — frs. | Fixed Term Deposits — frs. |
|--------------------------|----------------------------------|---|-------------------------------------|
| January 31st., 1911 . . | 716,461,588 | 160,614,563 | 269,075,279 |
| December 31st., 1911 . . | 723,049,621 | 160,557,764 | 281,057,291 |
| December 31st., 1912 . . | 705,711,116 | 158,269,971 | 283,679,632 |

Therefore, while the amount of savings deposits shows a decrease in the two years, and that of the deposits in current account remained stationary in 1911 and decreased slightly in 1912, on the contrary, there was a decided tendency on the part of the fixed term deposits to increase. Nevertheless, as in the case of the ordinary banks, the increase in 1912 was slightly less than in 1911.

The large increase in the fixed term, or rather, long term, deposits in the co-operative credit societies, considerably greater than in the ordinary banks, is explained by the special interest these societies have in obtaining long use of the amounts entrusted to them. Their customers are in fact small dealers, farmers, clerks etc., who require loans for comparatively long periods, usually repayable in instalments. It might be said that also many savings banks, especially the smaller ones, have a similar class of customers and these banks do not so frequently receive fixed term deposits. But, first of all, generally the deposits in savings banks are made for much longer periods than in the co-operative credit institutes; in the second place, the savings banks only give the name of fixed term deposits to those made in return for interest bearing bonds and include all deposits redeemable at long notice among the savings deposits, while in the ordinary institutes and co-operative credit societies the contrary course is pursued.

The commercial credit institutes, again, not limited in regard to their investments, like the savings banks, may hold out the attraction of higher rates of interest to ensure the long use of the deposits, and this attraction is greatest for the classes of small depositors constituting the chief customers of the co-operative credit institutes.

The above figures show the fluctuations in the amount of deposits in the two years 1911-1912 in the ordinary and in the co-operative banks: in the former the increase was considerable. In the latter the amount was stationary. Yet this is in no way due to the different economic character of the capitalistic and co-operative undertakings. The difference revealed by the figures is not between the ordinary and co-operative institutes, but between the large and small institutes; on the one hand, that is, there are the large banks, and, on the other, together with the co-operative institutes the majority of ordinary credit institutes. The contrast between ordinary and co-operative banks is only apparent, as the large banks are all in-

cluded among the ordinary banks. In fact the four large banks of the Kingdom, *Banca Commerciale Italiana* (Italian Commercial Bank), *Banco di Roma* (Bank of Rome), *Credito Italiano* (Italian Credit Institute), *Società Bancaria Italiana* (Italian Banking Society) alone held on December 31st., 1912, together, more than half (613,078,881 frs.) of the thousand million frs. deposited in the ordinary banks, and the increase of 100,000,000 frs. observed in the two years is due essentially to increased deposits in the four large Banks above mentioned (from 507,000,000 to 613,000,000).

The tendency of the large banks to expand and absorb the smaller institutions is growing more and more marked in Italy.

It will be well also to consider the amounts of the various classes of deposits in these banks.

| | Savings Deposits — frs. | Deposits in Current Account — frs. | Fixed Term Deposits — frs. |
|----------------------------|----------------------------------|---|-------------------------------------|
| on January 31st., 1911 . . | 287,965,691 | 167,165,485 | 52,037,583 |
| » December 31st., 1911 . . | 323,685,861 | 175,767,136 | 59,083,890 |
| » December 31st., 1912 . . | 357,657,385 | 194,156,219 | 61,265,277 |

The increase was therefore general and continuous in all three classes.

§ 3. DISTRIBUTION OF THE DEPOSITS IN THE ORDINARY SOCIETIES LIMITED BY SHARES AND THE CO-OPERATIVE CREDIT SOCIETIES, ACCORDING TO REGIONS.

It will be also interesting to see how these deposits were distributed according to regions. This is shown in the following table in which the deposits in the ordinary banks and co-operative societies in the different regions are compared.

| Regions | Ordinary Banks | | | | Co-operative Banks | | | |
|---|------------------|-----------------------------|---------------------|----------------|--------------------|-----------------------------|---------------------|----------------|
| | Savings Deposits | Deposits in Current Account | Fixed Term Deposits | Total Deposits | Savings Deposits | Deposits in Current Account | Fixed Term Deposits | Total Deposits |
| Piedmont | 67,750,597 | 51,405,385 | 15,197,277 | 134,353,457 | 33,648,637 | 8,051,656 | 17,826,940 | 81,527,233 |
| Liguria | 60,397,363 | 34,382,701 | 12,966,882 | 107,747,146 | 3,423,058 | 7,708,626 | 1,593,853 | 12,723,537 |
| Lombardy | 138,293,091 | 42,043,160 | 26,306,013 | 206,642,266 | 98,430,432 | 56,085,997 | 95,704,898 | 436,295,847 |
| Venetia | 42,945,188 | 43,766,617 | 21,244,424 | 107,956,229 | 77,913,610 | 34,279,931 | 32,084,617 | 164,278,158 |
| Emilia | 22,009,135 | 1,871,675 | 3,326,635 | 27,207,445 | 127,001,695 | 24,288,761 | 51,674,272 | 202,964,728 |
| Tuscany | 37,286,960 | 23,402,407 | 10,718,837 | 71,408,204 | 29,283,398 | 6,590,790 | 4,892,539 | 40,768,727 |
| Marche | 4,878,675 | 320,578 | 236,934 | 3,436,187 | 30,410,604 | 1,737,470 | 5,477,246 | 37,625,320 |
| Umbria | 20,359,914 | 283,642 | 1,297,439 | 21,940,995 | 11,933,786 | 539,332 | 1,176,465 | 13,631,583 |
| Lazio | 62,591,436 | 43,822,180 | 12,642,239 | 119,056,355 | 3,475,925 | 2,344,352 | 4,446,933 | 10,297,410 |
| Abruzzi and Molise | 587,153 | 686,908 | 631,933 | 1,903,996 | 16,424,102 | 2,485,488 | 8,413,698 | 27,323,288 |
| Campania | 44,132,029 | 23,835,874 | 29,127,853 | 97,095,758 | 20,475,468 | 4,218,145 | 18,046,676 | 42,740,289 |
| Apulia | 27,079,757 | 1,582,282 | 10,128,506 | 38,790,543 | 7,980,733 | 2,859,082 | 8,795,569 | 19,445,404 |
| Basilicata | — | — | — | — | 1,882,297 | 801,007 | 5,020,010 | 7,703,314 |
| Calabria | 3,934,425 | 963,891 | 695,664 | 3,593,980 | 23,604,589 | 1,879,142 | 2,040,609 | 29,524,340 |
| Sicily | 20,576,162 | 5,994,392 | 1,051,656 | 28,222,210 | 9,775,646 | 4,399,992 | 6,573,327 | 20,748,965 |
| Sardinia | 3,421,725 | 404,260 | 59,308 | 3,885,293 | 496 | — | — | 496 |
| Deposits Collected abroad by the Bank of Rome | 4,486,426 | 25,925,211 | 2,520,369 | 32,932,006 | — | — | — | — |
| Total | 560,730,438 | 300,691,361 | 148,752,473 | 1,016,174,272 | 795,681,016 | 138,269,971 | 283,679,632 | 1,147,530,639 |

Basilicata is altogether without local ordinary credit societies (branches of large banks).

Lombardy, as it is the region in which there are the largest deposits in the ordinary credit societies, is also that in which the deposits in the co-operative societies are largest. Other regions in which there are plentiful deposits in both the ordinary and the co-operative banks are Venetia and Piedmont. While, however, in Lombardy and Venetia the deposits in the co-operative banks exceed in amount those in the ordinary banks it is otherwise in the case of Piedmont. A region in which there is a large amount deposited in the co-operative banks, whilst comparatively little is deposited with the ordinary banks, is Emilia. Two regions, on the other hand, in which the deposits in the ordinary banks are very considerable and those in the co-operative banks very unimportant are Liguria and Latium. Of the other regions, we find the deposits in the ordinary banks more considerable than in the co-operative banks in Campania, Tuscany and Apulia and to a less degree in Sicily and Umbria. On the contrary, the deposits in the co-operative banks are more important than in the ordinary banks in Marche, Abruzzi and Calabria. Finally, while, in the above table, in Basilicata there appear no deposits in the ordinary banks, there are deposits of 7,000,000 frs. in the co-operative societies, and, in contrast with this, we find Sardinia with a large amount deposited in the ordinary banks and quite without deposits in the co-operative societies. These results naturally correspond with the number of banks of either kind in the different regions.

§ 4. DEPOSITS IN RURAL BANKS.

The rural loan banks, on October 31st., 1905, the date of the last official return, were 1,386. Of these, 1,309 held deposits amounting to 32,499,447 frs. and their paid up capital together with their reserve fund, amounted to 1,200,522 frs.

The enquiry we are considering showed, 1,660 banks on December 31st., 1911 and 1,652 on December 31st., 1912. Of these 1,371 at the end of 1911 held deposits amounting to 91,559,142 frs. and 1,359 at the end of 1912 deposits altogether of 99,203,074 frs.

Since 1905, therefore, the amount of the deposits in the rural banks has increased more than threefold and in 1912 alone it increased by about one tenth.

These deposits are almost exclusively savings deposits; but it is not possible to give an accurate classification.

The 1,359 rural banks collecting deposits had, on December 31st., 1912 funds (paid up capital and reserve fund) amounting to 4,011,535 frs.

The rural banks are variously distributed in the kingdom. The region which there are most is Venetia, where there are 427 or more than quarter of the whole number. Then come Emilia with 298 banks, Tuscany with 235, Lombardy with 204 and Piedmont with 162. The region which these banks have the largest amount of deposits is Sicily. The amount of deposits in the Sicilian rural banks is about a fourth of that in the banks, as it is 24,045,680 frs. In the province of Caltanissetta alone deposits on December 31st., 1913 amounted to 10,565,241 frs. After Sicily come Lombardy and Venetia, with almost equal amounts and then Emilia and Piedmont.

Part III: Credit

AUSTRIA.

SAVINGS BANK STATISTICS IN 1911 (1).

SOURCE:

STATISTIK DER SPARKASSEN IN DEN IM REICHSRATHE VERTRETENEN KÖNIGREICHEN UND LÄNDERN FÜR DAS JAHR 1911. Bearbeitet vom Bureau der K. K. Statistischen Zentralkommission. Wien, 1913. (*Statistics of Savings Banks in the Countries represented in the Reichsrat for 1911, published by the I. R. Central Statistical Commission*). New Series. Vol. X. No. 1. Vienna, Gerold, 1913. 4to. pp. 45-117).

Number of Savings Banks. At the end of the year 1911 there were savings banks in Austria, against 669 in 1910. Seven new institutes have been founded, and only one, the communal bank of Saaz, went into liquidation and was replaced by a branch of the Bohemian savings bank Prague. The increase in the number of these Banks in the last five years was as follows:

| | | | |
|----------------|----|----------------|----|
| 1907 | 14 | 1910 | 14 |
| 1908 | 11 | 1911 | 7 |
| 1909 | 5 | | |

is 50 in all, or 8% of the number at the end of 1906 (625). Of the new banks founded in 1911, 1 was founded in Carinthia, 1 in Carniola, Bohemia and 3 in Moravia.

The Austrian Savings Banks are divided into Communal Savings Banks (*Verbands-Sparkassen*), Co-operative Savings Banks (*Vereins-Sparkassen*), District Savings Banks (*Bezirks-Sparkassen*); of the 675 existing at the end of 1911, 559 (82.81%) were communal, 71 (10.52%) were co-operative and 45 (6.67%) were district savings banks.

1) The *Monthly Bulletin of Economic and Social Intelligence* in its issue for April, (No. 4), published statistics of the Austrian Savings Banks for 1910. We shall here give the General Situation of the Austrian Savings Banks in 1911 from the official statistical return published in 1913.

Of the kingdoms and countries represented in the Reichsrat, Bohemia had most savings banks (241); Moravia came next with 91 and the Lower Austria with 83. There was one bank per every 444.45 sq. km and every 42,612 inhabitants.

Rate of Interest on Deposits. The ordinary rate of interest, that is the rate usually given, without special limitations, by the individual institutes, increased in 1911 by 0.023 %; in 1910 it had been 4.045 %; and it had risen in 1911 to 4.068 %.

Of the 7 new institutions founded in 1911, 4 fixed the ordinary rate of interest on deposits at 4 %, and 3 at 4 1/4 %.

The 675 banks existing in 1911 might be classified as follows according to the interest paid to depositors:

| Ordinary Rate of Interest (%) | | | | | | | | | | | | | Total Number of Savings Banks |
|-------------------------------|-------|-------|-------|-------|-------|-----|-------|-------|-------|-------|-------|----|-------------------------------|
| 3 1/2 | 3 1/4 | 3 3/8 | 3 1/2 | 3 5/8 | 3 7/8 | 4 | 4 1/8 | 4 1/4 | 4 1/2 | 4 3/4 | 4 1/2 | 5 | 5 1/2 |
| 4 | 1 | 2 | 35 | 2 | — | 515 | 1 | 1 | 56 | 29 | 2 | 26 | 1 |
| | | | | | | | | | | | | | 675 |

It will be well to show the amount of capital on which the different rates were paid, in 1911.

| Rate of Interest (per cent) | Number of Banks | Amount of Deposits (Crs.) |
|-----------------------------|-----------------|---------------------------|
| 2 1/2 | 4 | 1,468,589 |
| 2 7/10 | 1 | 1,500,000 |
| 2 3/4 | — | — |
| 3 1/6 | 14 | 883,183 |
| 3 1/4 | 1 | 24,818 |
| 3 1/2 | 22 | 48,836,586 |
| 3 5/8 | 2 | 9,568,482 |
| 3 7/10 | 2 | 11,347,617 |
| 3 7/4 | 51 | 1,075,392,237 |
| 3 7/10 | 3 | 5,519,764 |
| 3 7/8 | — | — |
| 3 7/8 | — | — |
| 3 9/10 | — | — |
| 3 9/10 | — | — |
| 3 9/10 | — | — |
| 4 | 531 | 4,814,909,675 |
| 4 1/8 | 5 | 4,296,069 |
| 4 1/10 | 1 | 2,468,662 |
| 4 1/4 | 82 | 239,132,553 |
| 4 1/2 | — | — |
| 4 3/8 | — | — |
| 4 3/8 | — | — |
| 4 1/2 | 62 | 97,391,980 |
| 4 3/4 | 6 | 7,567,581 |
| 5 | 38 | 38,268,059 |
| 5 1/2 | 3 | 1,140,217 |
| 6 | 2 | 92,890 |
| Total Deposits: Crs. | | 6,359,808,904 |

Rate charged on Mortgage Loans. — In 1911, 59 savings banks changed the rate of interest on mortgage loans, 57 raising it and 2 lowering it. The ordinary rate of interest on mortgage loans rose 0.034 % in 1911, whilst that on deposits only rose 0.023 %.

All the savings banks, except three, lent on mortgage. The interest charged varied from 4 to 8% but the most usual rate, even in 1911, was 4½ %. The average rate which was 4.79 % in 1910 was raised to 4.82% in 1911.

In the following table the Banks are classified according to the rate of interest charged on mortgage loans.

| Ordinary Rate of Interest on Mortgage Loans | | | | | | | | | | | | | Total Number of Banks | Number of Banks not lending on Mortgage | |
|---|-------|-------|-------|-------|-------|---|-------|-------|----|-------|----|---|-----------------------|---|---|
| 4 1/16 | 4 1/8 | 4 1/4 | 4 1/2 | 4 3/4 | 4 7/8 | 5 | 5 1/4 | 5 1/2 | 6 | 6 1/2 | 7 | 8 | | | |
| — | 10 | — | 255 | 1 | 200 | 1 | 130 | 12 | 18 | 27 | 10 | 7 | 1 | 675 | 3 |

Statistics of Savings Bank Books. — At the end of the year 4,385,064 savings bank books had been issued; 639,753 accounts were opened in the year 1911, 516,797 closed, so that the total number had increased by 122,659. The number of books per 100 inhabitants was 15.2 with a maximum of 33.52 in Vienna and 22.34 in Lower Austria and a minimum of 0.05 in Dalmatia; the increase in the number of books was 2.88 % against 3.47% in 1910.

Classifying the books according to their amount, we have

| Number of Depositors with Credits | | | | | | | | | | Total Number of Bank Books |
|-----------------------------------|--------------------------|----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|-------------------------------|--------------------------------|----------------------|----------------------------|
| less than 100 crs. | Between 100 and 200 crs. | Between 200 and 1,000 crs. | Between 1,000 and 2,000 crs. | Between 2,000 and 4,000 crs. | Between 4,000 and 6,000 crs. | Between 6,000 and 8,000 crs. | Between 8,000 and 10,000 crs. | Between 10,000 and 20,000 crs. | 20,000 crs. and over | |
| 14,321 | 608,156 | 1,453,263 | 556,132 | 419,372 | 161,990 | 76,630 | 43,836 | 67,479 | 24,754 | 4,385,064 |

Fluctuations in Amount of Capital. — The deposits in 1911 amounted to 9,952,625 crs. against 1,705,621,822 crs. in 1910. The increase in the amount of deposits between 1910 and 1911 was therefore 155,330,803 (9.11 %). The withdrawals in 1911 amounted to 1,790,036,595 crs. against 1,610,256,957 in 1910; showing an increase of 179,779,638 crs. or 11.23 %.

Amount of Deposits. — The deposits in the savings banks at the end of 1911 amounted to 6,359,080,964 crs. The increase in the last five years was as follows:

| Year | Increase (crs.) | Percentage |
|----------------------------------|-----------------|------------|
| 1907 | 172,887,896 | 3.53 |
| 1908 | 316,594,440 | 6.24 |
| 1909 | 326,047,506 | 6.04 |
| 1910 | 325,227,143 | 5.69 |
| 1911 | 314,635,304 | 5.20 |
| Total increase in the five years | | |
| 1907-1911 | 1,455,392,289 | 29.68 |

The principal provinces contributing to this very considerable increase were Bohemia, with 515,000,000 crs. and Lower Austria with 394,000,000 crs.

The following table shows how this increase was made up, and it appears from it that it is principally due to the accumulation of interest amounts deposited and not withdrawn.

| Years | Excess of New Deposits (+) or Withdrawals (-) | Increase in Interest | Total Increase |
|---------------------|---|----------------------|----------------|
| millions of crowns. | | | |
| 1907 | — 18.66 | 191.54 | 172.88 |
| 1908 | + 112.61 | 203.99 | 316.60 |
| 1909 | + 110.25 | 215.80 | 326.05 |
| 1910 | + 95.37 | 229.86 | 325.23 |
| 1911 | + 70.91 | 243.72 | 314.63 |
| 1907-1911 | + 370.48 | 1,084.91 | 1,455.39 |

Average Credit per Book and per Inhabitant. — The average amount per book has increased from year to year. In 1910 it was 1,418 crs.; in 1911 it was 1,450 crs. In 1911, the proportion per inhabitant, for the whole Austria, was 221 crs. against 211 in 1910. In Upper Austria, the average per inhabitant was, in 1911, 557 crs., in Dalmatia it was 4 crs. 76 cent.

Investment of the Capital of the Savings Banks. — 57.88 % of the deposits in the savings banks was invested in mortgage loans, urban or rural. In 1910 the amount so invested had been 57.58 %. The following table shows the investments in 1910 and 1911:

SAVINGS BANK STATISTICS

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| Nature of Investment | 1910 | 1911 | Increase or Decrease % |
|---|---------------|---------------|------------------------------|
| Mortgage Loans | 3,763,345,318 | 3,966,267,732 | + 5.39 |
| Loans to Communes | 315,741,669 | 359,215,879 | + 13.77 |
| Loans in Form of Bills of Exchange | 222,438,166 | 271,128,471 | + 21.89 |
| Loans on Securities and Bonds | 75,222,082 | 84,959,318 | + 12.94 |
| Personal Credit | 3,782,480 | 4,212,433 | + 11.37 |
| Personal Securities | 1,651,425,781 | 1,646,100,643 | — 0.32 |
| Real Estate | 99,569,032 | 103,436,800 | + 3.88 |
| Deposited with Credit Institutes | 265,518,537 | 279,369,457 | + 5.22 |
| Other Assets | 42,179,329 | 39,447,619 | — 6.48 |
| Losses through Depreciation of Securities | 86,963,871 | 88,648,064 | + 1.94 |
| Total | 6,520,186,265 | 6,852,323,504 | + 4.98 |

The loans on mortgage (including those to communes, amounting in 1911 to 162,791,651 crs.) have increased from year to year.

The increase was most considerable in 1910; in 1909 there had been an increase of 3.72 % on the previous year, while in 1910 the increase rose to 5.41 %.

In 1911 we have to note a slightly smaller increase, 5.39 %.

The mortgage loans granted by the Austrian Savings Banks in the last few financial years increased as follows:

| Years | Mortgage Loans | Increase on Preceding Year | | Proportion of Capital Invested in Mortgage Loans |
|-----------------------------|----------------|-------------------------------|---------|---|
| | | crs. | % | |
| 1906 | 3,208,894,814 | — | — | — |
| 1907 | 3,329,831,767 | + 120,936,953 | + 3.77 | 59.55 |
| 1908 | 3,442,153,795 | + 112,322,028 | + 3.37 | 59.93 |
| 1909 | 3,570,043,686 | + 127,889,891 | + 3.72 | 57.58 |
| 1910 | 3,763,345,318 | + 193,301,632 | + 5.41 | 57.66 |
| 1911 | 3,966,267,732 | + 202,922,414 | + 5.39 | 57.88 |
| From 1907 to 1911 | | + 757,372,918 | + 23.60 | |

More than half the deposits of the Austrian Savings Banks are there-
fore invested in mortgage loans, safe indeed, but not very remunerative
and not readily realisable. Investments in personal estate are also much

in demand on account of their being easily realisable; but, on account of the depreciation of Government securities, they are not absolutely safe.

Finally, in regard to mortgage loans, we repeat here what we have already had occasion to mention in this Bulletin, that the official statistics do not make distinction between loans on mortgage on rural and on urban estate. Such a distinction would have enabled us, within certain limits, to show the manner in which the national savings are invested in mortgage loans and what proportion benefits agriculture. This it would be desirable to learn on every ground, in view of the large amounts of the mortgage loans granted by the savings banks; in fact, the amounts invested by them in mortgage loans far exceed those granted by the Public Land Credit Institutes and mortgage banks limited by shares (1).

(1) In 1909, the savings banks had invested 3,402,619,374 crs. in mortgage loans and the Public Land Credit Institutes and Mortgage Banks Limited by Shares, had invested 2,598,059,000 crs.

DENMARK.

RURAL MORTGAGE DEBT IN DENMARK.

OFFICIAL SOURCES:

LANDBRUGETS PRIORITETSGAELD (*Agricultural Mortgage Debt*). In the "Statistiske Efterretninger, udgivet af det Statistiske Departement" (*Statistical Bulletins, published by the Government Statistical Office*), March, 1914. Copenhagen.

LANDBRUGETS PRIORITETSGAELD I DE ENKELTE DELE AF LANDET. (*Agricultural Mortgage Debt in the Various Parts of the Country*). In "Statistiske Efterretninger, udgivet af det Statistiske Departement" (*Statistical Bulletins published by the Government Statistical Office*), April, 1914. Copenhagen.

The Danish Government Statistical Office has just published a return of the mortgage debt on rural land in Denmark, on the basis of the figures reported at the date of the new valuation of the land for cadastral purposes 1909 (1).

We shall now briefly consider this work.

The 169,460 rural holdings in Denmark were estimated to have a value of 2,691,000,000 crs. in respect to the land alone, and the live and dead stock was estimated at 689,000,000 crs. The total value, then, that could be mortgaged was 3,310,000,000 crs. The total amount of the mortgages registered was 1,417,000,000 crs. or 42.5 % of the above total value; yet this percentage seems to be too high, as in the valuation of 1909 for purposes of the cadastre very low estimates were made.

The following table shows how many rural holdings were mortgaged and how many were unencumbered.

| | Number of Holdings | Units of Cadastral Valuation | Value for Purposes of the Cadastre (Millions of Crowns) | | |
|--------------|--------------------------|------------------------------------|--|-------|---------|
| | | | Land | Stock | Total |
| Registered | 152,203 | 315,400 | 2,257.0 | 610.9 | 2,867.9 |
| Unencumbered | 17,257 | 47,600 | 364.2 | 77.8 | 442.0 |
| Total | 169,460 | 363,000 | 2,621.2 | 688.7 | 3,309.9 |

See Article on the "Establishment of the Cadastre in Denmark", in the number Bulletin for June, 1914.

As we see, about a tenth part of the rural holdings were free of charges. The value of these holdings was 13 % of the total value of rural land, which would imply that they were holdings a little larger than the average of those mortgaged. The burdens on these amounted to 49.5 % of their value, or about 4,500 crs. per unit of cadastral valuation.

Let us add that the holdings in the islands are generally less encumbered than those of Jutland, as appears from the following table.

| | Number of Holdings | Units of Cadastral Valuation | Value in Millions of Crowns | Mortgages | |
|------------------|--------------------------|------------------------------|-----------------------------|--------------------|------------------|
| | | | | Millions of Crowns | % of Total Value |
| Islands | Holdings Mortgaged . . . | 57,674 | 169,900 | 1,412.6 | 65.6 |
| | " Unencumbered . . . | 6,672 | 30,300 | 269.8 | — |
| | Total . . . | 64,346 | 200,200 | 1,682.4 | 65.6 |
| Jutland | Holdings Mortgaged . . . | 94,529 | 145,500 | 1,455.3 | 760.4 |
| | " Unencumbered . . . | 10,585 | 17,300 | 172.0 | — |
| | Total . . . | 105,114 | 162,800 | 1,627.5 | 760.4 |
| Whole of Denmark | Holdings Mortgaged . . . | 152,203 | 315,400 | 2,867.9 | 1,417.0 |
| | " Unencumbered . . . | 17,257 | 47,600 | 442.0 | — |
| | Total . . . | 169,460 | 363,000 | 3,309.9 | 1,417.0 |

This is principally due to the fact that most of the Danish entail estates, almost or entirely unencumbered, are situated in the islands.

The State domains and the land belonging to communes or public establishments are very little mortgaged. On the other hand, the land of the small state farmers (*Statshusmaend*) are to a large extent mortgaged on account of the State loans received (1). The following table shows the situation in regard to these various holdings:

(1) See in the number of this Bulletin for January, 1914, the article, "Home Colonisation in Denmark from 1901 to 1911".

| | Number of Holdings | Units of Cadastral Valuation | Estimated Value (Millions of Crowns) | Mortgages | |
|--|--------------------|------------------------------|--------------------------------------|--------------------|------------------|
| | | | | Millions of Crowns | % of Total Value |
| Holdings belonging to the State, Communes etc. | 1,289 | 5,700 | 41.0 | 1.7 | 4.1 |
| Enailed Estates and Similar Holdings | 95 | 30,100 | 280.1 | 8.1 | 2.9 |
| Small State Farms . . . | 4,201 | 1,600 | 23.7 | 17.9 | 76.0 |
| Other Holdings | 163,875 | 325,600 | 2,965.1 | 1,389.3 | 46.9 |
| Total . . . | 169,460 | 363,000 | 3,309.9 | 1,417.0 | 42.5 |

The mortgage indebtedness of the last class of holdings is distributed as follows among the holdings in the islands and in Jutland:

| | Number of Holdings | Units of Cadastral Valuation | Estimated Value (Millions of Crowns) | Mortgages | |
|----------------------------------|--------------------|------------------------------|--------------------------------------|--------------------|------------------|
| | | | | Millions of Crowns | % of Total Value |
| Holdings Mortgaged . . | 56,048 | 159,200 | 1,311.8 | 642.2 | 48.8 |
| " Unencumbered . . | 6,138 | 11,000 | 100.3 | — | — |
| Total . . . | 62,186 | 170,200 | 1,412.1 | 642.2 | 45.5 |
| Holdings Mortgaged . . | 91,623 | 143,000 | 1,427.9 | 747.1 | 52.3 |
| " Unencumbered . . | 10,066 | 12,400 | 125.1 | — | — |
| Total . . . | 101,689 | 155,400 | 1,555.0 | 747.1 | 48.1 |
| Denmark } Holdings Mortgaged . . | 147,671 | 302,200 | 2,739.7 | 1,389.3 | 50.7 |
| " Unencumbered . . | 16,204 | 23,400 | 225.4 | — | — |
| Total . . . | 163,875 | 325,600 | 2,965.1 | 1,389.3 | 46.9 |

In the whole country, the total value of the unencumbered rural holdings was 225,000,000 crs. or 7.5 % of the total value of rural holdings.

The value of the mortgaged holdings was 2,740,000,000 crs. but the mortgages on them only amounted to 50.7 % of this.

When the entailed estates, State domains etc. are subtracted, we find 8.1 % of the rural holdings of Jutland were unencumbered, against only

7.1 % in the islands. It is true the Jutland holdings were more heavily burdened, (to 52.3 % of their value) than those of the islands (to 48.9 %) so that the whole of the rural land of Jutland is more heavily burdened (48.1 % than that of the islands. (45.5 %).

These are, of course, only general averages, for, if we consider each of the Danish departments separately, we arrive at the following results.

| | | Approximate Percentage of Mortgage Indebtedness | Percentage of Unencumbered Holdings |
|---------------|----------------------------|--|--|
| Department of | Bornholm | 57.5 | 4.6 |
| » | » Hjørring (1) | 50.1 | 7.4 |
| » | » Ringkøbing (1) | 48.0 | 10.5 |
| » | » Thisted (1) | 47.9 | 11.5 |
| » | » Randers (1) | 47.7 | 8.2 |
| » | » Frederiksborg | 46.8 | 9.1 |
| » | » Aarhus | 46.3 | 11.4 |
| » | » Ribe (1) | 45.7 | 10.6 |
| » | » Aalborg (1) | 45.7 | 13.3 |
| » | » Viborg (1) | 45.5 | 10.5 |
| » | » Holbaek | 45.2 | 8.1 |
| » | » Vejle (1) | 44.0 | 12.3 |
| » | » Maribo | 41.9 | 9.7 |
| » | » København | 41.5 | 10.6 |
| » | » Sorø | 40.8 | 14.1 |
| » | » Præsto | 39.4 | 15.2 |
| » | » Odense | 30.2 | 26.7 |
| » | » Svendborg | 27.8 | 30.6 |

We must now show in what degree the holdings are burdened, in respect to their area. This we see in the following table.

| Area of Holdings | Number of Holdings | Units of Cadastral Valuation | Value in Millions of Crowns | Mortgages | | Percentage of Unencum- bered Holdings |
|-------------------------|--------------------------|------------------------------------|-----------------------------------|-----------------------|------|---|
| | | | | Millions of Crowns | % | |
| More than 12 ha. . . . | 449 | 28,600 | 242.3 | 113.0 | 46.6 | 5.6 |
| Between 6 and 12 ha. . | 1,157 | 18,400 | 145.9 | 83.4 | 57.2 | 4.4 |
| » 2 » 6 » | 23,257 | 142,300 | 1,052.0 | 502.4 | 47.8 | 6.6 |
| » 1 » 2 » | 23,917 | 68,700 | 584.3 | 264.4 | 45.2 | 8.0 |
| » 1/2 » 1 » | 22,917 | 32,400 | 339.0 | 153.8 | 45.4 | 8.4 |
| Less than 50 ares . . . | 92,178 | 35,200 | 2,363.5 | 272.3 | 45.3 | 10.1 |
| Total | 163,875 | 325,600 | 2,965.1 | 1,389.3 | 46.9 | 7.6 |

(1) Department situated in Jutland.

Altogether, the relative position of Jutland and the islands remains the same as before said: a smaller number of holdings mortgaged in Jutland, at a heavier burden on those mortgaged. Our last table shows the situation in detail:

| Area of Holdings | Percentage of Unencumbered Holdings | | Percentage of Total Value Mortgaged | |
|---------------------------|-------------------------------------|---------|-------------------------------------|---------|
| | Islands | Jutland | Islands | Jutland |
| more than 12 ha. . . . | 5.4 | 5.9 | 44.0 | 54.1 |
| between 6 and 12 " . . . | 3.7 | 5.1 | 56.0 | 57.7 |
| " 2 " 6 " . . . | 6.2 | 7.2 | 47.0 | 48.9 |
| " 1 " 2 " . . . | 7.4 | 8.4 | 43.9 | 46.0 |
| " 1/2 " 1 " . . . | 8.1 | 8.6 | 43.5 | 46.3 |
| less than 50 ares | 12.0 | 9.2 | 40.4 | 47.5 |
| Total . . . | 7.1 | 8.1 | 45.5 | 48.1 |

Let us add that from our two last tables it appears that small holdings are more often unencumbered than large. This is a general fact, and therefore the more worthy of consideration.

SPAIN.

THE WORK OF THE AGRICULTURAL CREDIT INSTITUTIONS IN SPAIN.

I. THE "PÓSITOS".

OFFICIAL SOURCES (1) :

- MEMORIA QUE ELEVA AL GOBIERNO DE S. M. EL DELEGADO REGIO DON EDUARDO GULLÓN. DELEGACIÓN REGIA DE PÓSITOS. (*Memorial Presented to His Majesty's Government by the Royal Delegate, Don Eduardo Gullón. Royal Delegation of "Positos"*). Madrid, March, 1913.
- DO. Madrid, March, 1912.
- DO. Madrid, March, 1911.
- APÉNDICE A LA MEMORIA QUE ELEVA AL GOBIERNO DE S. M. EL DELEGADO REGIO DON EDUARDO GULLÓN. DELEGACIÓN REGIA DE PÓSITOS. (*Appendix to the Memorial Presented to His Majesty's Government by the Royal Delegate, Don Eduardo Gullón. Royal Delegation of "Positos"*). Madrid, March, 1913.
- DO. Madrid, March, 1912.
- MEMORIA QUE ELEVA AL GOBIERNO DE S. M. EL DELEGADO REGIO CONDE DEL RETAMOSO. DELEGACIÓN REGIA DE PÓSITOS. (*Memorial Presented to His Majesty's Government by the Royal Delegate Conde del Retamoso. Royal Delegation of "Positos"*). Madrid, March, 1908.
- DO. Vols. I and II. Madrid, March, 1908.
- LOS PÓSITOS EN ESPAÑA. MEMORIA PRESENTADA AL GOBIERNO DE S. M. POR EL DELEGADO REGIO DON JOSÉ MARIA ZORITA (*The Positos in Spain. Memorial Presented to His Majesty's Government by the Royal Delegate, Don José Maria Zorita*). Madrid, January 25th., 1907.
- CALBETÓN (Fermín): Apuntes para el estudio del Proyecto de Ley de Crédito Agrario. Ministerio de Fomento (*Notes for the Study of the Agricultural Credit Bill. Agrarian Department*). Madrid, 1910.

OTHER SOURCES :

- COLOMA (Jesus R.): Pósitos. La evolución de un organismo del Estado. En *Revista Católica de Cuestiones Sociales* (*The Pósitos. Evolution of a State Institution. In Catholic Review of Social Questions*). Madrid, March, 1914.
- DO. De crédito agrícola. Los Pósitos. Su liquidación (*Agricultural Credit. The Pósitos. The Liquidation*). Madrid, February, 1914.

(1) For the general bibliography of agricultural credit in Spain, consult the list preceding the articles "Agricultural Organisation in Spain" and "Problems of Rural Loan Credit and the Banco Hipotecario de España", published in the Numbers of this Bulletin for February and July, 1912, respectively.

De crédito agrícola. Pósitos de la Tierra, su liquidación. (*Agricultural Credit. Local Pósitos. Their Liquidation*). Madrid, January. 1914.

10: Los Pósitos, su liquidación. En el progreso agrícola y pecuario (*The Pósitos. Their Liquidation*). In "*Progress of Agriculture and Livestock Improvement*". Madrid, January 15th and 31st, 1914.

The question of agricultural credit is certainly at once the most pressing and the most difficult of all relating to agriculture in Spain.

It has often been said that the principal cause of the decline of Spanish agriculture and the inadequate progress it is now making is the want of capital.

Nowhere is less money invested in the country than in Spain. Even when it is made there and derived from the soil its owners place it in preference in State funds, as they seek safe investments and freedom from anxiety in regard to its administration, since the revenue depends on the industry and intelligence of the administrator.

All this would explain the action of the State in a matter, like this, of such social importance, which may at last endanger the very existence of the rural population.

There has been no lack of proposals laid before the Spanish Parliament, the object of solving the problem, and those of Montero Rios, Gamazo, Priet, Sanchez, Toca, Calbetón, Zulueta etc., amongst others, deserve special mention, but we may say that very little has been done up to the present beyond the reorganization of some institutions already existing and the grant of permission to certain others to conduct agricultural credit business.

It is, however, certain that all the Governments have recognized the gravity and urgency of the matter and it may already be foreseen that they shall not have long to wait for the general organization of agricultural credit.

But if there is as yet no such general organization, there are, instead, numerous institutions that, on a larger or smaller scale, tend to supply the want. Among the most important, let us mention (a) the "Pósitos", (b) the Bank of Spain, (c) the Leo XIII Bank and (d) the Rural Banks.

We shall here exhibit the principal characters of these various institutions with an account of their work in recent years; we shall begin with the most ancient: the "Pósitos".

§ 1. SOME NOTES ON THE ORIGIN AND EVOLUTION OF THE PÓSITOS.

Our readers are already acquainted with these ancient Spanish institutions which have rendered such great service to the humble labourers of the Peninsula (1). So we shall limit ourselves here to a few brief remarks

(1) See the Numbers of this Bulletin for February, 1912 and May, 1913.

on the origin of these establishments and the vicissitudes they have pass through.

Their origin cannot be ascertained with precision: although the principle on which they are based was already known to the Roman law, the public granaries then founded disappeared at the date of the invasion of the Barbarians, so that there is no link between them and the "Pósitos". The only certain fact we can take account of is that the Catholic King encouraged their foundation in the whole Kingdom and the first regulation of them dates from the *Pragmática* of Philip II in 1584.

The "Pósitos" were founded to serve as storehouses for a certain quantity of grain to be distributed to the peasants for their consumption or for sowing in seasons of scarcity. They had besides to "provide travellers with cheap bread and succour the poor".

Thus, these municipal granaries were in the first place charitable institutions, and even for their loans they only asked an insignificant rate of interest, a quantity of grain varying with the amount of the loan but always very small, called "*creces*".

The Pósitos were therefore, at first, institutions of Royal foundation. They were so successful and so welcome that private persons also began to found them, so that in 1558 there were 12,000. We shall not here show through what vicissitudes the institutions passed after having attained certain development. It is enough to say with the former Royal Delegation of Pósitos, Zorita, that "in certain places, civil wars, Carlist and Regional led to the disappearance of the pósitos and gave the opportunity to unconscientious debtors or responsible administrators to destroy the proofs of their engagements or of their guilt; in addition to this, crises and famines to a certain extent justified the employment of the funds of the Pósitos on municipal undertakings or for assistance to the needy, perhaps as advances to be repaid, but not repaid owing to the circumstances of the time; often, the disaster was due to evident malversation on the part of unscrupulous and, in most cases, insolvent, councillors". So, in 1850, there were hardly more than 4,000 Pósitos.

It must be added that, the pósitos, maintaining their primitive organization while agriculture developed progressively, soon ceased to meet the needs of the latter.

A law then became necessary to make their administration independent of politics and local discussions and restore them to their former flourishing condition.

Such a law was passed on January 23rd., 1906.

The principal provisions of the law are as follows: All the services in connection with the pósitos are subjected to the Agricultural Department. The pósitos will no longer confine themselves to advancing seeds to the farmers but will extend their action to include loans in money, act as rural loan and savings banks, facilitate the purchase or the employment of agricultural implements, machinery, manure, breeding stock and all requisites for agriculture and livestock improvement. They may likewise receive grain in deposit and grant advances of not more than 50 % of the value

the deposit at the rate fixed for loans in money, the interest on which in no case exceed 4 %. The maximum term for loans will be a year, they will be renewable for another year. Loans can only be granted to farmers and for purposes of agriculture, on personal security. When there are many applications, the loans must be in preference granted to farmers paying the smallest tax for agriculture or livestock improvement. For the purposes of the inventory of the assets, the realisation of credits and the transformation of the existing *pósitos* so as to obtain them as rapidly as possible the means of continuing and accomplishing this mission, the law provided that the Minister of Agriculture should appoint a Royal Delegate entrusted with its execution, and furnished with extensive powers (1).

For the complete application of the law in view of the deplorable situation of the *pósitos*, the Royal Delegation had necessarily in the carrying out two objects to attain: liquidation of the *pósitos* without exciting ill feeling and their modernisation as far as possible.

Consequently, it began by "*Metabolización*", that is to say, by realising the greater part of the assets of these establishments and all the credit that could be collected.

With a healthy energy, a firmness not however excessive — it could in fact, be forgotten that the *Pósitos* were founded for the assistance of peasants and not to ruin them — in five years the delegation was able to reconstitute a capital of 50,000,000 pesetas (not including the amounts already in cash belonging to 3,460 *pósitos*) it also founded 80 *pósitos* with a capital of 626,919 pesetas, and subsidised others to the amount of 266,141 pesetas:

Between 1906 and 1912 the number of *pósitos* increased as follows:

| Years | |
|----------------|-------|
| 1906 | 3,410 |
| 1909 | 3,501 |
| 1910 | 3,520 |
| 1911 | 3,529 |
| 1912 | 3,540 |

Pósitos are not found in every part of the country; we may say that their work is only regular and useful in the two Castilles, Leon, Aragon, Mancha and Extramadura. There are none in Galicia and the Basque provinces, which are essentially districts of livestock improvement, where there is hardly any grain cultivated, and consequently *Pósitos* could have no use there, before the realisation of their assets.

In Catalonia and the east of Spain there are few *Pósitos* and those that exist are of little use to the farmers, on the one hand, on account of

(1) This delegate was appointed for 5 years, but at the end of the term he was continued in his office until the reorganisation of the *pósitos* could be completed, and now the delegate has been eight years in existence.

the excellence and the progress of agriculture in these provinces and on the other, on account of the defective organization of the Pósitos. In Andalusia we find the most important Pósitos, also, generally, the way managed.

The really characteristic district where the Pósitos are truly prosperous is Castille. The Castilles have 2,016 Pósitos or 57 % of the total number in Spain.

The province of Guadalajara (New Castille) has the most (294). That of Burgos, in Old Castille, is a model district, with 164 establishments. In 1912, the loans granted amounted to 658,557 pesetas distributed in 5,481 loans; in the same year 5,127 repayments were made, amounting to 636,550 pesetas.

§ 2. WORK OF THE PÓSITOS IN THE TWO YEARS (1910-1912).

In order to exhibit in detail the work of the Pósitos in the above two years we shall reproduce the principal information contained in the memorial of the Royal Delegation for 1912.

In that year, the receipts of the Administration of the Delegation (contributions paid by the Pósitos, interest on Government bonds, collections and under other heads) amounted to 619,813 pesetas. The expenditure was 566,340 pesetas, with 162,532 pesetas for the central administrative service or altogether 728,872 pesetas.

The Delegation employed 61,500 pesetas in the foundation of new pósitos; the persons concerned who asked for these foundations contributed 26,196 pesetas. The new Pósitos were founded at Menorguens, at Termens (Lerida), Almonacid de la Sierra, La Gata, Rueda de Jalón at Ricla (Saragossa), San Asensio and Viguera (Logroño), Revilla de Camp (Valencia) and Valverde (Canaries).

We shall now consider the progress of the existing pósitos, generally indicating in the following table their financial situation at the end of each year, since it has been possible really to judge the work of the Delegation, that is to say since 1910.

Financial Situation of the Pósitos on December 31st.

| Years | Loans to Debtors | Cash | Land and Documents of Title | Total |
|------------|---------------------|------------|-----------------------------------|------------|
| 1910 . . . | 73,791,679 | 13,681,928 | 6,050,827 | 93,524,435 |
| 1911 . . . | 74,699,131 | 13,715,710 | 6,297,928 | 94,712,770 |
| 1912 . . . | 77,036,689 | 12,106,945 | 6,136,657 | 95,280,291 |

It must be remembered that of the total loans, an amount of 53,474,931 pesetas represents old debts and is consequently difficult to recover. We shall now consider the increase in the loans granted by the Pósitos in the same period.

Loans Granted by the Pósitos.

| Year | Loans Granted | | Repayments | |
|--------------|---------------|------------|------------|------------|
| | Number | Amount | Number | Amount |
| 1910 | 87,950 | 13,920,260 | 109,426 | 16,625,046 |
| 1911 | 107,849 | 16,307,587 | 108,136 | 16,450,021 |
| 1912 | 230,992 | 21,626,705 | 121,613 | 19,700,421 |

We may see from these figures that the number of loans granted and repayments have both considerably increased. The repayments may be divided as follows:

| Year | Repayments Obtained Amicably | | Repayments Obtained by Means of Judicial Execution | |
|--------------|------------------------------|------------|--|-----------|
| | Number | Amount | Number | Amount |
| 1910 | 101,121 | 15,239,898 | 8,305 | 1,385,148 |
| 1911 | 93,366 | 14,027,492 | 14,770 | 2,422,529 |
| 1912 | 110,927 | 18,003,015 | 10,686 | 1,697,406 |

Comparing these figures with those for previous years, the memorial shows that the repayments made amicably have been more numerous, in 1912, a proof that the Pósitos are gradually being reorganized.

We shall close this section with a reproduction of the General Statement of Accounts of the Pósitos for 1912:

| | Pescetas |
|---|------------------|
| Cash in Hand, January 1st. | 13,715,704 |
| Receipts: | |
| Repayments made Amicably. | 18,003,015 |
| Obtained by Means of Judicial Execution | 1,584,615 |
| Interest Collected | 883,493 |
| Sale of Land and Bills | 327,640 |
| | <hr/> 34,514,468 |
| Expenditure: | |
| Loans Granted. | 21,626,705 |
| Expenditure Unprovided for | 400,506 |
| Administrative and Legal Expenses | 255,616 |
| Taxes and Miscellaneous Expenses. | 124,694 |
| | <hr/> 22,407,521 |
| Balance | <hr/> 12,106,947 |

§ 3. THE VARIOUS TENDENCIES TOWARDS A FINAL ORGANIZATION OF THE PÓSITOS.

We have rapidly considered what has been done up to the present by the Royal Delegation of the Pósitos to reorganize these establishments. The work, is, however, far from complete. Señor Calbetón, one of the who has most deeply studied the question, says: "It is not enough liquidate the Pósitos, to ascertain their capital, separate their good and bad debts and realise their assets; when once this ungrateful work is accomplished and has put an end to so many old abuses, we must not abandon the pósitos without modifying their organization in respect to what is of date; to submit them perpetually to the dictatorship, which the Law of 1906 only authorized as an exception with the object of avoiding great evil, would be to adjourn the solution, if not to complicate the problem to leave them without defence, with no central organisation, would to open their safes to the greed of all and to expose them to every kind of abuse". The moment in fact seems to have arrived for adopting a definite resolution in regard to the situation of the Pósitos, so that their realised assets may indeed be useful to agriculture.

Many are the proposals that have been put forward. One, dating from the first half of the last century and which has still to day some partisans, is to use the capital of these establishments to found a Central Bank or establishment to exert its action over the whole country in a modern, simple and practical manner. But, in addition to the enormous difficulty of the complete liquidation of the pósitos, a consideration of a moral order has been brought forward in opposition to this proposal: the capital of the Pósitos, in any case, belongs to the villages. Consequently the State can and must see that it is properly used and prevent malversation but must stop there, as this property belongs to others although it is held in common.

A different theory has been advanced in defence of the Pósito that "their disappearance would be no progress but rather an irreparable blow to agricultural credit". The idea is that it would be useless to liquidate these large agricultural banks, which by reason of their distance from the labourers and other difficulties inherent in their operation, could be of use to those who have immediate need of small loans and could offer other guarantee than their own honesty. Again, the foundation of rural banks is not a matter for official action, but they must be based on a mutual system, on reciprocal confidence and can only follow the development of the spirit of association. Thus in those places where there are no rural banks and yet the need for credit is beginning to be felt a pósito should be founded, as, owing to its official character, it can be started and work under the protection of the Government.

The most recent tendency is that manifested among the rural associations. The Royal Delegation is invited to solve the problem by giving

art of the capital of the Pósitos to fill the empty safes of the numerous agricultural social organizations already existing in certain regions, which, their organization is perfect, only need capital to fulfil their mission.

To rightly understand this theory—among its advocates, Señor Coloma deserves special mention—we must consider the capital at the disposal of the Royal Delegation as consisting of three classes: (1) the funds which, as it were its own capital, those to which no pósito has any special claim, but which belong to the institution as a whole, namely the interest on the provincial assessments, that is to say, a sort of tax on the capital levied by the Pósitos to the Provincial and central administrations for their working expenses, and amounting altogether to 800,000 pesetas. In this class are also included the amounts due to the pósitos from the State, on loans granted on occasion of wars and epidemics; this debt has reached, after many renewals, the amount of 14,357,842 pesetas.

(2) The second class represents money the Pósitos keep immobilised, at interest, in current account in the branches of the Bank of Spain, amounting to 4,000,000 pesetas.

(3) The last class consists of 40,000,000 pesetas now in the hands of the growers.

When we study the history of the Pósitos, we find some of them called *Pósitos de la Tierra* (Local Pósitos) differing from the others in that their administration takes root in a special locality and can found branches called *casas auxiliaadoras* in other villages. Those in favour of the theory we are considering propose that the first class of the funds of the Pósitos above indicated be used for founding *Pósitos de la Tierra* by means of subventions to the agricultural social organizations of the localities in which they are needed.

As to the second class of capital it is bitterly regretted that in a country like Spain, where so much harm is caused by usury, there should be so large a sum immobilised in the current account of a bank, especially when the money is derived from the country to which it should return. Such an anomaly is due to various causes, but chiefly, it is said, it must be laid to the charge of the local administration of these establishments and of the borrowers.

In fact, the law of 1906, when it entrusted the Municipal Councils with the local administration did not consider that the managers would be the councillors and would subordinate their trust to their administrative and political duties, and that, therefore, it would be much more convenient for them to refuse a loan and thus escape all liability, without taking the trouble to enquire into the solvency of the applicant. Even in the present times the erroneous idea is often entertained that every borrower is a bad man.

Now, it is claimed that the Delegation might solve the difficulty by replacing the present managers by others better suited for the work. Such as the managers of the voluntary rural organizations, syndicates, rural banks, co-operative societies, mutual insurance societies etc.

The remedy would be, then, merely to entrust the management of the Pósito to the rural organization of the locality, possessing civil personality and suited to the work, or one which might be founded special for the purpose. Thus also the second defect pointed out, the fear of the publicity of the loan would be got rid of: experience showing that everywhere where there is a special organization for credit, this false conception of credit has disappeared.

In a village where the pósito is inactive or where there is no agricultural institution, where even people refuse to found one for any reason, the Royal Delegation should entrust the capital, as a loan, to the Pósito de la Tierra, working in the region, the nearest Federation, loan bank Syndicate, reserving to the inactive Pósito the ownership of the money and a reasonable interest, for example, 2%. "We have no right to deprive a village of the ownership of its Pósito, but there is no law, human or divine which obliges us to support an incapable administration. The property not to be touched, but its managers may be, when there is risk of the general interests suffering severely".

On these considerations, the Federation of Agricultural Syndicates of la Rioja has urged the Government to give the administration of the Pósitos to the labourers themselves.

We reproduce its principal proposals: (a) that the Municipalities authorized and obliged to cede the management of the pósitos to the labourers organized in legally constituted agricultural associations on their applying for it; that the Royal Delegation have power to compel this transfer in the case of municipal councils managing the pósitos badly or leaving them inactive. (b) That the funds liquidated and administered by the Delegation not belonging to special municipal pósitos be used for the foundation of Pósitos de la Tierra. The 72 agricultural syndicates of Rioja urge the foundation of a Pósito de la Tierra for themselves and their members at Logroño, to be founded with 250,000 pesetas taken from the above funds. For its part, every syndicate or association undertaking undertakes to contribute to the capital of the society a minimum of 5 pesetas per member or 200 pesetas per union.

It seems that the syndicates of Navarre and Aragon intend to follow the example of those of la Rioja. The Spanish farmers hope that, in one way or another, there will soon be realised the definite organization of an institution which, without being free from defects, has, however, potent vital forces, as is proved by its maintaining itself for centuries in spite of numerous abuses.

HUNGARY.

MORTGAGE STATISTICS IN HUNGARY.

OFFICIAL SOURCES :

REPORT OF THE ROYAL HUNGARIAN CENTRAL STATISTICAL OFFICE, forwarded to the International Institute of Agriculture.
ANNUAIRE STATISTIQUE HONGROIS (*Hungarian Statistical Yearbook*). New Series. Vol. XIX. 1911. Budapest, 1913.

§ I. ATTEMPTS TO DISCOVER THE AMOUNT OF THE MORTGAGE INDEBTEDNESS OF HUNGARY.

The first attempts made in Hungary to estimate the mortgage debt urban and rural land date from 1858, when the land registers were examined in order to obtain the statistics. But since these registers had only been instituted shortly before, they were found quite insufficient for the purpose.

Nor was a second attempt carried out by the National Statistical Office in the same way in 1867 any more successful. However, this time was possible to make an official return of the mortgage loans granted by the Hungarian credit institutes.

From this return, however, there were excluded not only the amounts of the mortgage loans granted by private individuals and incorporated companies, but also those of the loans made by foreign land credit institutes.

In 1883 the original attempt of discovering the mortgage debt on land in the land registers was resumed, but at the same time it was decided to carry out a partial inquiry into the land debt in certain parts of the Kingdom.

The results were published in 1895, but, as we read in the official report forwarded to the International Institute of Agriculture, this attempt also failed to give fully satisfactory results.

In 1892 the Agricultural Department, when it was organising the general agricultural census, decided also to ask for the return of the burdens on the land and a new trial census was taken in 1898, to a large extent on the same lines as those followed in the enquiry of 1883.

It therefore seems to us desirable to indicate the course followed these operations.

The Central Statistical Office, entrusted with the conduct of the enquiry made use of a schedule of questions and census forms to be filled in.

By means of the schedule of questions, the statistics of the *principal mortgage charges* were obtained from the land registers where they were entered against each holding, as were also separately the *additional mortgage burdens* on other land serving as security for the mortgage credit already reported as registered against the holding.

The auxiliary mortgage burdens were then noted on separate census forms.

By means of this schedule of questions it was possible at once to fix the number of farms and the amount of the debt secured by the principal mortgage on each of them. This method reduced the possibilities of error through the same debt being calculated a second time from the additional mortgages.

Both the schedule of questions and the census forms were prepared with great diligence and skill.

Each schedule of questions, intended to discover the burdens on the holdings entered in the land registers on June 30th, 1895, made careful provision in the first place for ascertaining the *position of the holding, its area and the name and residence of the owner*, or owners in case of joint property. Besides, the owner was asked whether and in what community he had other land and in what register it was entered.

After having thus sought to ascertain clearly the principal data needed for the specification of the individual mortgages and for the study of the distribution of the debts according to the area of the holding, the enquiry went on to an accurate search for the data necessary to obtain a true knowledge, from the economic point of view, of the holding and its indebtedness.

As regards the registered debts, account was taken of the *date of registration, their amount and the interest to pay*. Loans redeemable in instalments were distinguished from those not so redeemable, and, in the latter case, the period in which they were redeemable and the amount of the instalments had to be given.

If the enquiry had been successful, a perfect knowledge would have been obtained of the way in which the mortgage indebtedness of Hungary was distributed according to the character of the persons and institutions, whether national, Austrian or foreign, assisting the landowner with money, and the causes of the debt. That is, statistics would have been obtained of the greatest importance for the study of the principal economic problems connected with the question of rural indebtedness.

In fact, in the case of the mortgage loans, redeemable in instalments or not, it was asked if they had been granted:

- (a) by Hungarian Credit Institutes
- (b) " Austrian " "
- (c) " Foreign " "
- (d) " Minors' Estates

- (e) » Associations, Co-operative Societies etc.
 - (f) » Private Individuals;
- and, in the case of the redeemable loans alone, whether by:
- (g) the Austro-Hungarian Bank;
 - (h) the State Treasury.

Enquiry was further made whether the debt were due

- (1) to sale of real estate;
- (2) » inheritance;
- (3) » seizure;
- (4) » non-payment of taxes;
- (5) » bills;
- (6) » other obligations;
- (7) » claims on the estate due to family circumstances.

There were other questions in the list such as whether the mortgage was conditional, whether secured on the annual yield etc.

At the end of the schedule, there were questions in regard to the territorial situation and the number of the entry in the land registers for the holdings subject to additional mortgages to guarantee those previously mentioned.

On the census forms for the holdings burdened by additional mortgages was necessary to fill in the name and the residence of the owner entered in the land register, the title of the holding burdened, the amount of the charge and the date of the entry. At the end of the list, enquiry was made with regard to the register number and the situation of the holding burdened with the principal mortgage. The abstracting for this enquiry of 1898 showed the state of the land registers did not permit of completely reliable statistics the mortgage debt being obtained. Above all in the provinces the land registers failed to show the real situation. Often charges no longer existing had not been cancelled, and debts, in part paid off, figured for their full amount. On the other hand, there were burdens on land not registered, for example, those deriving from contracts with irrigation societies etc. Now all these errors could have been corrected with the help of the Department of Finance, but other new difficulties would have had to be overcome. So that, after the first trial, it was decided not to extend the enquiry, as the expenses to be incurred would be out of proportion to the results that could be obtained.

It may therefore be said that the problem of a general return of mortgage charges is still awaiting its solution, which, in Hungary as in many other States, chiefly demands the reorganisation of the mortgage registers.

In the absence of reliable official statistics, the mortgage indebtedness of Hungary has been calculated conjecturally. Thus Fellner, in certain studies published in the Bulletin of the "Institut International de Statistique", came to the conclusion that the debt on the land amounted to 2,860,000 crs. and represented a charge of 18.6 % of the value of the land calculated at 15,375,000,000 crs.

§ 2. FLUCTUATIONS IN MORTGAGE INDEBTEDNESS.

The efforts made to obtain statistical returns of the fluctuations in mortgage indebtedness have led to better results, although, as the information is obtained from the land registers, these results are also affected by the errors in the keeping of the registers we have mentioned above.

Every year, since 1875, the Land Registry Office sends the Central Statistical Office of the Kingdom of Hungary a return of the new mortgages entered and of the mortgages cancelled.

This return shows both the number of operations and the amounts entered or cancelled; changes of ownership of real estate (showing whether they are due to contract, inheritance or judicial execution); changes in the entries and cancellations of mortgage charges. In indicating the number and amount of the registrations it is stated whether these owe their origin to contract, to previous registration not yet final (1), to inheritance or judicial mortgage. In regard to the cancellations of mortgages, distinction is made between cases in which the creditor has only recovered part of his credit, and those in which cancellation is made on account of extinction of the debt or for any other reason.

Every year, then, statistics are published of the number and value of the mortgaged estates which change hands and the fluctuations in the mortgage charges, on the basis of the information supplied by the land registry office.

As we see, in the last Statistical Annual, in 1911, there were 623,489 mortgaged landed properties transferred of a total value of 1,776,122,000 cs.

Of these 623,489 landed properties, 497,070 valued at 1,460,000,000 cs. were sold; 18,006, valued at 38,000,000 cs. were the subject of judicial execution; 107,127, of a total value of 270,000,000 cs., passed to new owners by inheritance.

In the following table we reproduce some data that may serve to illustrate the fluctuations in the mortgage indebtedness between 1901 and 1911 in Hungary:

(1) These mortgages, valid only for brief periods, give the creditor the advantage of precedence of others in the final registration, without his immediately paying the heavy charges.

Fluctuations in Mortgage Indebtedness between 1901 and 1911.

| Year | New Mortgages Registered | | | | Mortgages Cancelled | | | Excess of Mortgages Registered over those Cancelled |
|--|---|----------------------------------|---------------------------|-----------|-------------------------------|--------------------------------------|---------|---|
| | In Virtue of Contract or Preliminary Registration | on Account of Judicial Execution | on Account of Inheritance | Total | Partial Repayment of Creditor | Reduction of Debt or any other Cause | Total | |
| <i>Number of Mortgages Registered or Cancelled.</i> | | | | | | | | |
| average 1901-05 . . | 350,596 | 92,561 | 41,083 | 484,240 | 11,490 | 304,218 | 315,708 | 168,532 |
| 1906-10 . . | 410,533 | 105,212 | 32,360 | 548,105 | 9,443 | 342,872 | 551,817 | 196,288 |
| 1911 . . . | 458,124 | 113,358 | 28,390 | 600,880 | 5,006 | 374,240 | 579,246 | 221,134 |
| <i>Amount of Mortgages Registered or Cancelled (in thousands of Crs.).</i> | | | | | | | | |
| average 1901-05 . . | 672,484 | 59,799 | 15,003 | 745,286 | 24,420 | 513,129 | 537,549 | 207,737 |
| 1906-10 . . | 1,036,040 | 63,232 | 15,739 | 1,115,011 | 16,607 | 635,499 | 651,866 | 463,145 |
| 1911 . . . | 1,606,224 | 66,564 | 13,922 | 1,686,710 | 15,664 | 864,918 | 880,582 | 806,128 |

As we see, the increase in mortgage indebtedness in the above mentioned eleven years was very considerable and even more so as regards the amount than the number of the mortgages. This shows that a great current of capital is flowing towards investments in average sized and large holdings.

We must, however, bear in mind that the above figures show an increase in the mortgage indebtedness in excess of the truth, as many of the mortgages paid off and all the annual instalments paid are omitted from the list of cancellations of mortgages.

Part IV: Miscellaneous

UNITED STATES.

SOCIAL AND ECONOMIC PROGRESS OF THE NEGRO FARMERS.

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§ 1. NEGROES IN CITIES AND IN THE COUNTRY.

On January 1st., 1863, Abraham Lincoln solemnly proclaimed the freedom of the Slaves in the United States of America. This decree for which preparation had been made by the antislavery resolutions passed in Congress in June and July, 1862, was followed by the federal laws of June 28th., 1864 and December 18th., 1865, and by those passed in the separate States, that at various dates granted the negroes the full enjoyment of the civil and political rights of all American citizens.

In 1860 there were only 488,070 free negroes to 3,953,760 slaves, that is 35.5 % of the total population, and by far the greater number inhabited the Southern States. These States, the agricultural system of which, characterized by the prevalence of immense plantations, was based exclusively on negro labour, opposed the enfranchisement of the slaves with all their might, conducting a long and bloody war, the war of secession, with desperate persistence from 1860 to 1865, when it ended with their defeat.

The negro slaves were almost entirely employed in field labour or in the domestic service of their masters; few were engaged in other occupations: very few, comparatively, were included in the urban population.

It was natural that the emancipation should give rise to a migration of the mass of the negroes to the cities: yet emancipation alone would not have sufficed to explain the intensity assumed by the movement, which became a real exodus, had it not been accompanied by a general change in the conditions of the negroes about that time. And the change was, from various points of view, rather for the worse than for the better. The negroes after their emancipation, while still untrained for independence had to pass through a period of confusion, of race and party hatred, of severe economic crisis, misgovernment, excesses unrepressed and indeed difficult to repress, in the isolation of the country districts. It will be enough to refer to the proceedings of the *Ku Klux Klan*, a mysterious organization, composed of turbulent and violent persons, who often at night time, their faces covered with horrible masks, visited the negro villages in large mounted bands, destroyed the crops, burned the houses (sometimes even those of the whites who sympathised with the negroes) and disappeared leaving behind them confusion and terror, without any one knowing where they had come from or whither they had gone.

This state of things, lasting from the time of the emancipation up to 1872, tended as was natural, to increase the exodus of the negroes to the towns: which offered them a better chance of fortune and greater safety. To this must be added the psychological motive of which account must be taken "the desire to move about a little, just to find out what freedom was like" (see page 107) and the temptation, after all excusable in men compelled from their birth to labour, to idle a little. The following figures

may give some idea of the importance of the negro exodus about this time: between 1860 and 1870 in fourteen cities of the south, the negro population increased 90.7 %, while the white population only increased 16.7 %.

When the political condition of the Southern States became more settled, the negro emigration from the country slackened, but did not stop, though it assumed a more regular course. For other causes succeeded to those already given: the beginning of the industrial development of the Southern States, the opening up of immense mining districts, the new and important industry of the extraction of oil from cotton seed. Large cities grew up absorbing more and more labour and diverting it from agriculture. Social legislation was introduced and extended and principally for the protection of industrial workmen.

As we see, these were no longer motives specially affecting the negroes, but the labourers of every race generally. And in fact it may be said that now, every thing considered, the negro exodus to the towns corresponds with that of the whites, when the same influences and circumstances are at work.

The increase in the white and black rural and urban population between 1890 and 1900 was as follows :

| | Negroes | | Whites | |
|--|-----------|-----------|------------|------------|
| | 1890 | 1900 | 1890 | 1900 |
| Continental United States | 7,488,676 | 8,833,994 | 55,101,258 | 66,809,196 |
| Cities of at least 2,500 inhabitants | 1,482,651 | 2,004,121 | 21,011,367 | 58,506,146 |
| Rural Districts | 6,006,025 | 6,829,373 | 34,089,891 | 38,303,050 |

The increase, therefore, is similar in the case of the whites and the blacks respectively 35.2 % and 35.7 % in the towns and 13.7 % and 12.4 % in the country). The rural exodus of the negroes would have perhaps been greater, had it not been checked by other circumstances: amongst them the unfavourable conditions under which the negroes live in the cities, crowded together in the poorest and least healthy quarters; the consequent high death rate, especially among the children; the evident inferiority of their social condition compared with that of the whites (in many States there are special laws for the separation of blacks and whites on the trams and in public places); and their inferior aptitude for mechanical and industrial occupations.

In this way, notwithstanding their decided tendency to urbanism, many of the negroes of the United States of America remain in the country and agriculture still continues to be the most important of the occupations in which they engage. As we have no more recent information in regard to the distribution of negroes according to their occupations, we shall give the figures for 1900 :

Occupations of Negroes.

| | |
|---|-----------|
| Agricultural Pursuits | 2,143,154 |
| Domestic and Personal Service | 1,317,859 |
| Trade and Transportation | 208,989 |
| Manufacturing and Mechanical Pursuits | 275,116 |

More than half the wage earning negroes are therefore engaged in agriculture. They form about 20 % of the entire agricultural population of the United States, but the proportion is far larger when only the Southern States are considered, especially in the *Black Belt* (1) where the negro population is densest. Of 9,827,763 negroes in the United States (the total population of the Union being 93,402,151), 8,749,427 are to be found in the South (1910), where in some counties, they form 25 % of the total population and in certain districts as much as 90 %. More than half the farms of South Carolina, Mississippi and Louisiana and little less than half of those of Alabama and Georgia are worked by negroes.

In the last ten years (1900-1910), the number of negro farmers increased to a comparatively larger extent than that of the whites; in fact in fifteen states in the South the former increased 19.9 % that is from 739,833 to 887,691, while the corresponding increase for the latter was only 17 % that is from 1,870,600 to 2,191,705.

The negroes of the United States, therefore, remain principally an agricultural class.

§ 2. THE NEGROES AS FARM LABOURERS.

Before the abolition of Slavery, the agricultural labourers of the Southern States were, as already said, almost exclusively negroes. The plantation system then predominant, was characterized by the cultivation large areas and the employment of many labourers. Of these very great skill was not demanded; for as a rule there was no regular rotation of crop and from year to year the same plant was cultivated (cotton, sugar cane, rice, indigo). On the other hand, the labourer had to be endowed to a high degree with the physical strength for prolonged labour in a semi-tropical climate and also, in view of the size of the farms, to be subjected to rigid discipline. The African slaves answered these requirements: they were therefore imported in large quantities, at first openly, and afterwards clandestinely, when the laws of various states had forbidden the importation

(1) Extending from the coast of South Carolina to the States of the Gulf of Mexico

The condition of the black slaves in the United States was generally terrible, in so far as slavery ever can be so. The white masters were for the most part kind to them, either through an interested anxiety not to lose this source of livestock, or out of humanity. The last motive was more frequent among the owners of smaller farms, who had passed much time in daily contact with their black labourers. The relations of the slaves and masters in such cases even became affectionate and gave the plantation life of the South that patriarchal character, which, in spite of its many sad and painful sides, partly explains how millions of men could so long support the yoke of slavery. Indeed, the negroes gave wonderful examples of their loyalty and fidelity even up to the time of the war of secession: when, more than one instance, they remained to protect the wives, children and property of their masters who were fighting.

The proclamation of emancipation substituted the system of free contract for that of slave labour. However, if the condition of the labourers was improved in law, at first it was not in fact; since, indeed, the free hire labour was in many ways akin to slavery, without its few good points. The relation between the white masters and the negro labourers was radically changed. The bonds of affection and devotion were lost in the violent dissolution of a whole system of life, the economic conditions that had contributed to the kindly treatment of the slaves had been changed. There was in fact no further reason to spare the negro stock, to attend to the sick, to make the exhausted rest; on the other hand, it was good economy to get as much work out of them as possible, seeking a maximum of profit with a minimum of expenditure. Nor, on the other hand, did the critical situation of the Southern landowners, to a large extent ruined by the war and the emancipation of the slaves, permit of their offering their labourers high wages.

All these circumstances, together with those general political and economic conditions mentioned in the preceding section, and the other general causes of urbanism, led to the rural exodus of negroes and to its being to an important degree an exodus of labourers. In fact, if the proportion of the negroes engaged in agriculture to that of the negroes over ten years of age occupied in the various pursuits fell from 55.5 % in 1890 to 52.8 % in 1900, this was especially due to the fact that, although the total number of negro labourers increased (from 1,106,728 in 1890 to 1,344,116 in 1900), there was at the same time a comparative decrease of from 64.9 % to 63.7 % in the number of negroes engaged in agriculture.

The tendency of negro labourers to emigrate from the country is especially seen in the proportion of their number to the total number of agricultural labourers of all races, which fell from 36.8 % in 1890 to 30.5 % in 1900, a decrease, that is to say, of 6.3 % in ten years.

Yet the importance of negro labour in the United States is still very great, especially in the Southern States. In 1900 there were in the North American Republic 1,344,116 rural negro labourers, distributed as follows:

| | |
|---------------------------------|-----------|
| North Atlantic States | 10,831 |
| South Atlantic " | 574,535 |
| North Central " | 18,357 |
| South Central " | 739,909 |
| Western " | 484 |
| Total | 1,344,116 |

In the South Atlantic States the negroes form scarcely more than of the agricultural labourers of all races; in the South Central State little less than half, in the North Atlantic States 2.61 % in the North Central States 1.50 % and in the Western States only 0.30 %. The differences are therefore very considerable in the different regions, and this is still more evident when we consider the figures for the separate States.

TABLE I. — *Number of Rural Labourers over ten years of Age in the United States (1900).*

| | Total | Negroes | | Total | No. |
|--------------------------------|---------|---------|------------------------|---------|-----|
| Maine | 21,976 | 25 | Missouri | 162,916 | 1 |
| New Hampshire | 12,714 | 29 | North Dakota | 24,193 | 2 |
| Vermont | 18,443 | 73 | South Dakota | 26,749 | 3 |
| Massachusetts | 31,515 | 576 | Nebraska | 59,601 | 4 |
| Rhode Island | 5,304 | 292 | Kansas | 89,271 | 5 |
| Connecticut | 19,847 | 676 | Kentucky | 165,432 | 6 |
| New York | 148,456 | 2,902 | Tennessee | 182,905 | 7 |
| New Jersey | 33,220 | 4,031 | Alabama | 286,195 | 8 |
| Pennsylvania | 123,208 | 3,037 | Mississippi | 259,668 | 9 |
| Delaware | 9,126 | 3,176 | Louisiana | 173,510 | 10 |
| Maryland | 50,134 | 21,443 | Texas | 273,188 | 11 |
| District of Columbia | 618 | 282 | Oklahoma | 68,478 | 12 |
| Virginia | 138,613 | 61,285 | Arkansas | 156,455 | 13 |
| West Virginia | 58,796 | 1,063 | Montana | 8,979 | 14 |
| North Carolina | 233,288 | 104,046 | Wyoming | 3,138 | 15 |
| South Carolina | 237,326 | 180,354 | Colorado | 14,825 | 16 |
| Georgia | 282,347 | 181,565 | New Mexico | 7,753 | 17 |
| Florida | 37,343 | 21,021 | Arizona | 3,393 | 18 |
| Ohio | 138,066 | 2,910 | Utah | 8,698 | 19 |
| Indiana | 118,498 | 1,599 | Nevada | 2,760 | 20 |
| Illinois | 184,959 | 2,268 | Idaho | 7,814 | 21 |
| Michigan | 97,527 | 603 | Washington | 17,455 | 22 |
| Wisconsin | 93,718 | 64 | Oregon | 17,316 | 23 |
| Minnesota | 94,195 | 41 | California | 67,493 | 24 |
| Iowa | 133,450 | 270 | | | |

The condition of the negro labourers is still to day not so good that of the whites. The wages are lower, so much so that in the States where negroes are the most numerous the average wages are lower than in those where their numbers are fewer.

Another interesting fact should be noted, which may also have contributed to the fall in the average wages: namely, the larger proportion of the black women engaged in agriculture as compared with the white.

that, while in 1900 the women labourers of all races were 15 % of the women receiving wages in the United States, the percentage in the case of the negro women was 37.9.

The low wages affect the general system of farming in the parts where negro labourers predominate: make large estates more possible, render the use of machinery in farm work less convenient and, together with the special climatic conditions, contribute to prevent the immigration of European labourers. With respect to this it is easy to see that the foreign negro labourers are least numerous where the negro labourers are most plentiful. They were distributed in fact in 1900 as follows in the various parts of the Union:

| | |
|-----------------------|---------|
| North Atlantic States | 62,985 |
| South Atlantic " | 2,819 |
| North Central " | 142,394 |
| South Central " | 21,136 |
| Western " | 29,145 |
| Total | 258,479 |

The importance of black labour for American agriculture is, finally, to be considered in relation to the cultivation of cotton. Before the abolition of slavery, cotton formed the principal produce of the Southern States; and even to-day, in spite of the competition of new countries and the severe losses caused by the cotton boll weevil (*Anthonomus grandis*), the Southern States of the North American Union are still among the principal cotton producers in the world. Today more than half the cotton produced in the United States is cultivated by negroes: they are, through long tradition, and on account of their power of resistance to the climate, the best adapted to malarial fever, excellently fitted for this class of labour.

§ 3. SHARE TENANCIES OF VARIOUS FORM AND LEASES.

If a tendency to a comparative decrease of negro agricultural labourers is observable, on the other hand, we find an increase in the various forms of share tenancy and lease. This is a further progress of the negro labourer, who, having passed from slavery to the free lease of his labour, is now seeking higher and more independent economic positions.

This advance was first made possible by the conditions of agriculture as we have mentioned in the Southern States, after the abolition of slavery: on the one hand, the economic crisis through which the landowners, ruined by the war and deprived of their principal wealth, their slaves, had to turn to the negroes; on the other, the difficulty of retaining the negroes for agriculture at a moment at which the tendency to rural exodus was strongest. A compromise had therefore to be come to between the landlords and the labourers: the negro had no land; this led to various forms of share tenancy, which was at first, in the ultimate analysis, a mere disguise of simple hire of labour; intended to keep the labourer on the farm until after the harvest, postponing to that date the payment of the wages in kind.

The quality of the work could not but be improved in this way: labourer being directly interested and jointly responsible for the prog of the farm. The system, in the end, benefited the farmers in another way as, while the risks were divided, they were spared the necessity of paying wages in cash.

Of the forms of share tenancy then devised, some have now fallen in disuse, others have been modified, while some still remain. Thus, a form of contract has been almost completely abandoned, though it was very widespread in the years immediately following the emancipation of the slaves which the negro had to work for a certain number of days a week on employer's farm, receiving in return the right to cultivate a piece of ground for his own account, together with the necessary stock and sometimes wages in money. According to other contracts, the labourer received a part of his wages in money and the rest as a specified share of the harvest.

Evidently we have here intermediate steps between simple hire of labour and share tenancies. The latter in their pure form only appeared later. At first the portion of the crop assigned to the negro tenants (*share crops*) was very small — one third, a fourth and even a fifth of the produce, varying with the fertility of the soil and the proportion in which the employer had contributed by provision of the seed, stock etc. Certain such a proportion of the produce, though small, must have yet seemed reasonable to those who up to a short time before could claim no reward for their labour and whose requirements were so limited. However, the position of the share croppers was generally far from happy: since the risk assumed by them was not compensated by a corresponding share in the profits; so that one inferior harvest was enough to involve them in debt to the landowner or the local storekeeper who had supplied them with seed, farm implements or the articles of first necessity to enable them to live until harvest time.

Their debts to the landlord and the storekeeper were secured on a lien: the landlord having the first claim. In this way it often happened that at the end of the season when the harvest was bad, the whole share of the share cropper went to pay his debts. Indeed, it often was not sufficient to pay them: and in that case the tenant had no chance of seeking better conditions, hence the law in many of the Southern States forbade him leaving the farm till he had paid his debts. That he was unable to do so frequently enough the case, owing to the hard conditions of the contract (as almost always the least infringement of it gave the landlord a right in the whole crop); so under various aspects there was a renewal of conditions resembling slavery.

To-day the conditions of the negro share tenants are in many ways improved. There is an inferior form of tenancy, various families of tenants working on large plantations under the supervision of the master who assigns the lots, distributes the labour and settles the crops to be cultivated and a superior form in which the tenant cultivates a portion of ground for his own account, specially allotted to him, managing it on his own responsibility.

In this case we have forms akin to metayage or quite identical with it. But the progress of the negro has not stopped here: from a simple sharing of the crop (payment in kind made by the landlord for his work), advance is made to the payment by the tenant of a fixed amount in money or produce (the tenant, undertaking to work the farm, paid the landowner for use of the land); from the forms of share tenancy the negro advanced to the contract of lease. The tenant then completely emancipated himself in every kind of supervision and was enabled to manage the farm and conduct all the business of the sale of the produce.

A proof of the progress of the negro farmers is that they are more and more found working under the conditions of these higher classes of share tenancy or under contract of lease — and we shall hereafter see more and more of them becoming landowners — and this increase of the negroes in such situations is not only absolute, but relatively greater than that of the whites.

Unfortunately, the last census (1910) does not give special figures for negroes who are grouped under the head of *coloured people*, together with the Indians, Japanese and Chinese. Yet these general figures may give sufficiently accurate information with regard to the negroes, as, in view of the very different local distribution of the coloured farmers, we may judge when they refer almost exclusively to negroes and when to other coloured races. The following table shows the distribution of the various races in the territory of the Union.

TABLE II. — *Various Races of Farmers (Landowners, Tenant Farmers) in the United States.*

| | White | Coloured | | | |
|-------------------------|-----------|----------|---------|---------|----------|
| | | Negroes | Indians | Chinese | Japanese |
| England | 188,460 | 310 | 32 | — | 2,502 |
| the Atlantic States . . | 466,418 | 1,310 | 638 | 5 | — |
| North Central . . . | 1,117,772 | 4,843 | 870 | 2 | 8 |
| North Central . . . | 1,100,084 | 5,603 | 4,238 | 2 | 2 |
| Atlantic . . . | 756,019 | 354,530 | 1,303 | 13 | 21 |
| South Central . . . | 717,262 | 324,885 | 332 | 1 | 16 |
| South Central . . . | 734,125 | 201,422 | 7,584 | 10 | — |
| Main . . . | 175,415 | 218 | 7,524 | 91 | 45 |
| California . . . | 185,061 | 263 | 1,716 | 636 | 195 |
| Total . . . | 5,440,619 | 893,384 | 24,237 | 769 | 2,502 |

It is therefore, clear that up to the present the very large majority of coloured landowners and tenant farmers, and in the Southern States almost all, are negroes. So much said, we can give their true value to the following figures:

TABLE III. — Coloured and White Tenant Farmers in the Southern States.

| Tenant Farmers | Number of Farms | | Area (acres) | | Improved Land (acres) | | Value of Land and Buildings (dollars) | |
|-----------------------------------|-----------------|---------|--------------|------------|-----------------------|------------|---------------------------------------|---------------|
| | 1900 | 1920 | 1900 | 1920 | 1900 | 1920 | 1900 | 1920 |
| <i>South Atlantic States.</i> | | | | | | | | |
| White Tenant Farmers | 222,813 | 237,248 | 20,901,274 | 19,404,449 | 10,173,547 | 10,282,648 | 271,208,770 | 311,192,135 |
| Coloured " | 202,785 | 233,181 | 11,008,732 | 11,883,633 | 6,759,866 | 8,232,835 | 93,467,270 | 256,410,768 |
| <i>East South Central States.</i> | | | | | | | | |
| White Tenant Farmers | 217,271 | 262,506 | 13,319,640 | 13,805,785 | 7,771,233 | 8,667,486 | 188,042,860 | 348,889,378 |
| Coloured " | 217,660 | 266,232 | 8,723,077 | 8,979,405 | 6,451,742 | 7,316,647 | 101,630,790 | 206,158,274 |
| <i>West South Central States.</i> | | | | | | | | |
| White Tenant Farmers | 238,659 | 346,524 | 28,399,461 | 39,393,597 | 11,847,878 | 21,403,442 | 271,093,093 | 1,001,334,114 |
| Coloured " | 131,956 | 131,061 | 5,093,015 | 5,704,764 | 3,878,452 | 4,546,893 | 73,029,270 | 154,109,105 |
| Total for the Southern States . . | 678,743 | 866,278 | 62,700,395 | 72,003,801 | 29,901,739 | 40,246,475 | 730,344,723 | 1,861,415,627 |
| White Tenant Farmers | 532,401 | 670,474 | 24,824,844 | 36,507,000 | 17,000,000 | 20,000,375 | 628,122,330 | 1,616,768,147 |
| Coloured " | | | | | | | | |

From this table we see that in the South Atlantic and East South Central States almost half, and, in the West South Central States, almost a third of the farms are managed by coloured tenant farmers. The tendency to increase in the numbers of both white and negro landholders and tenant farmers is clearly shown from the statistics (based on the figures in preceding table) showing the increases per cent in the period 1900-1910.

TABLE IV. — *Increase per cent of White and Coloured Farmers (1900-1910).*

| Distribution and Classes of Farmers | Number of Farms | | Area of Farms | | Improved Farms | | Value of Land and Buildings | |
|--|--------------------|-------------------|------------------|-------------------|-------------------|-------------------|-----------------------------------|-------------------|
| | Land- holders | Tenant Farmers | Land- holders | Tenant Farmers | Land- holders | Tenant Farmers | Land- holders | Tenant Farmers |
| <i>South Atlantic States:</i> | | | | | | | | |
| White Farmers | 11.8 | 15.5 | -1.6 | -7.2 | 1.7 | -1.1 | 100.7 | 88.5 |
| Coloured " | 19.8 | 24.9 | 27.5 | 7.9 | 28.4 | 22.3 | 185.5 | 174.3 |
| <i>South Central States:</i> | | | | | | | | |
| White Farmers | 9.2 | 20.8 | -1.8 | -2.1 | 6.4 | 11.5 | 81.1 | 85.5 |
| Coloured " | 17.7 | 22.3 | 18.3 | 2.9 | 29.1 | 13.4 | 148.6 | 102.9 |
| <i>West South Central States:</i> | | | | | | | | |
| White Farmers | 16.9 | 45.2 | 7.8 | 38.9 | 37.3 | 80.7 | 170.2 | 269.4 |
| Coloured " | 11.8 | 14.5 | 8.1 | 12.0 | 18.4 | 17.2 | 134.8 | 111.2 |
| <i>Average for the South:</i> | | | | | | | | |
| White Farmers | 12.0 | 27.6 | 2.5 | 15.6 | 13.8 | 34.6 | 116.9 | 154.9 |
| Coloured " | 17.0 | 21.4 | 17.5 | 7.0 | 25.0 | 17.8 | 150.0 | 130.0 |

The area cultivated by both white and coloured tenant farmers has increased in smaller proportion than the area of the improved farms and the average value of the land and buildings. The advance has therefore been greater in quality than in quantity.

It must be observed that in the ten years 1900-1910 the increase in the number of tenant farmers has been greater than in that of the landowners. However, the total area owned by the negroes has increased in greater proportion than that leased by them, while the contrary has been the case with area owned and leased by the whites.

The percentages in the West South Central States differ considerably from those for the other two groups of Southern States, since, while in the West the increase of the white tenant farmers and landholders has been

less than that of the coloured, the contrary, is the case in the West South Central States. But in spite of these differences, the general increase of negro tenant farmers is evident and common to all the divisions of the South.

§ 4. NEGROES AS RURAL LANDHOLDERS.

While in 1860 the few free negroes only possessed an insignificant portion of the agricultural land of the United States, the census of 1900 shows the value of the land held by negro farmers at about 230,000,000 dollars and the census of 1910 shows the value of the agricultural property (land and buildings) belonging to coloured farmers (1) in the South alone as 272,992,238 dollars (106,619,328 dollars in 1900).

The conditions that occasioned the rise and increase of landed property among the American negroes are as a whole the same as those we have already mentioned when speaking of share tenancies and leases. Indeed the latter forms of agricultural economy to a large extent give rise to the former. The necessity of giving the emancipated negroes an interest in the farm had led to their education for other forms of economic independence. But, it had at the same time gradually caused that subdivision of the large plantations which rendered it possible for the negroes to advance to the position of landed proprietors. In fact, the average area of Southern farms is being more and more reduced simultaneously with the increase in the number of negro farms.

TABLE V. — *Average Area of all the Farms in the Southern States: 1860-1910 (in acres).*

| Year. | Total Southern States | South Atlantic Group | South Central Group |
|----------------|--------------------------|-------------------------|------------------------|
| 1860 | 335.4 | 352.8 | 322.3 |
| 1870 | 214.2 | 241.1 | 194.4 |
| 1880 | 153.4 | 137.4 | 150.6 |
| 1890 | 139.7 | 133.6 | 144.0 |
| 1900 | 138.2 | 108.4 | 155.4 |
| 1910 | 114.43 | 93.3 | 126.24 |

There is a notable difference between the figures for 1860 and 1890. At present the average area of holdings in the Southern States is less than the in the Northern States, for the former average is 114.43 acres and the latter is 143 acres. The contrary was the case in the past, especially before the war, when large holdings almost absolutely predominated in the South. Now, on the other hand, while the area of the South is a little less than a third of the total area of the United States and belongs to a third of the States, the number of holdings is 49 % of the total number in the Union.

(1) See what we have said on this subject on page 95.

The increase of negro rural holdings has been very slow and only in recent years has it been accelerated. A fairly long time had to pass before the mass of the negroes could persuade themselves of the possibility of their becoming absolute lords and masters of a piece of land, however small. But when they were convinced, the desire to attain this end spread. We must remember there was no inherited property: they had to begin with nothing, relying only on their own hard work and their persistent economy.

Booker T. Washington, one of the most enlightened of the negroes to whom his race owes much of its advance, tells us the story of a negro, who, when liberated from slavery was already an old man, and attained prosperity as a rural landowner. We think it well to quote the story as an interesting and characteristic example of the way in which many negroes formed their agricultural holdings (1).

"When he (the old negro) was "turned loose", as he put it, at the end of the Civil War, he was, about sixty years of age, and at that age, he began life, as a great majority of my race began at that time, with nothing.

He did not own a house; he had but little clothing, and no food but a bag of meal and a strip of bacon. He had gotten out of slavery, however, a close and intimate acquaintance with the soil and the habit of work.

After freedom came, he left the plantation on which he had been a slave and went to work on an adjoining place as a "renter". He told me that when he was first free he had to move about a little, just to find out what freedom was like. But he soon found that in most respects there was very little difference between his condition in freedom and his condition in slavery. The man of whom he rented furnished him rations, directed his planting and kept after him to see that he made his crop.

At the end of the year the charges for rent and interest had eaten up all that he had earned, so that from one year to another he was not any better off than he had been the year before. When he did come out with a little money to his credit the storekeeper soon got it all, and, if he fell sick or anything happened to his family, he sometimes found himself in debt at the end of the year, and then he was worse off than if he had nothing.

One of the chief privileges of freedom he found to be the opportunity of getting into debt, but after he had succeeded in getting into debt he learned that he had lost even the privilege which had remained to him of moving from one plantation to another", as frequently the law in the Southern States prevents a tenant from leaving the plantation until he has paid his debt.

"Gradually the old coloured farmer began to see that he was making no headway and that his condition might easily become worse.

(1) See Booker T. Washington, *The Story of the Negro*, vol. II, pp. 48 et seqq.

It was about this time that he began coming to our "Annual Negro Conference" at "Tuskegee Institute". There he heard the stories of the Negro farmers, some of whom had worked themselves out of this condition of partial slavery that I have described. As he listened to these stories, he began to realise that what had been possible for others was possible for him also. He began to think for the first time in his life of getting a home of his own. A place, as he told me, where if he drove a nail or planted a tree it would stay there and could be handed down to his children. He began thinking about the land on which he was working, and a passionate desire to own and improve it took possession of him. He wanted to be in a position where he could afford to improve his surroundings and preserve for his children the improvements that he made.

In order to get more out of the soil he arose early in the morning before daybreak and he and his wife and his children were out in the field all day and late at night. In the midst of his work the rented mule, which he had been using to make his cotton crop, died.

This was a terrible blow to him, but it proved his economic salvation, for it determined him to have an ox or mule that he could call his own next year.

The old farmer talked the matter over with his wife and between them they agreed upon this plan: they would do all the work they could during the day with their hoes, and after dark, by the light of the moon, the old man would put the harness that the mule had worn on his own back, and, while his wife held the plough, he pulled it through the furrow as well as he could. This method of cultivating the soil was so unusual that he did not care to attract the attention of his neighbours by working in this way during the day.

At the end of the season he found that he had cleared enough to buy an ox. I have heard the old man tell more than once how proud he felt when he owned an ox that he could call his own, something at any rate, that was absolutely free of debt and no man had a claim upon it, with the aid of this ox, he and his wife and his children made the next year a larger crop and, when the cotton had been picked, he had in his possession more money than he ever had before in his life. With this money he bought a mule. Working the mule and the ox together, he made a still larger crop and the next year purchased another mule.

Without detailing step by step the method by which the old man went forward, I might say that before many years had gone by he had become the owner in fee simple of over two hundred acres of land. He was living in a good house and had surrounded himself with most of the necessities and some of the comforts of life. Not only was this true, but I learned afterwards that he had been able to put considerable money in the local bank, of which he eventually became a stockholder."

Examples such as this, though of course not frequent, show how it has been possible for the negroes in the Southern States to obtain and increase their agricultural property.

The increase has been continuous: this is shown by the following figures for all the States of the Union.

TABLE VI. — *Rural Landholders, White (American or Immigrants) and Coloured, working their own Farms (1910).*

| Geographical Distribution | Whites Born in the United States | Whites, Immigrants | Negroes and other Coloured Persons | Total |
|--------------------------------|--|-----------------------|--|-----------|
| New England | 144,212 | 23,925 | 271 | 188,802 |
| Middle Atlantic States | 316,462 | 37,196 | 2,414 | 468,379 |
| East North Central " | 646,032 | 159,104 | 3,908 | 1,123,489 |
| West North Central " | 534,260 | 217,317 | 7,369 | 1,109,948 |
| South Atlantic " | 485,134 | 6,059 | 101,961 | 1,111,881 |
| East South Central " | 447,808 | 3,907 | 58,737 | 1,042,480 |
| West South Central " | 357,128 | 26,008 | 57,769 | 943,186 |
| Mountain States | 125,426 | 27,743 | 7,675 | 183,446 |
| Pacific States | 106,158 | 43,658 | 2,117 | 189,891 |
| Total for the Union | 3,162,584 | 544,917 | 241,221 | 6,361,502 |

As well as the other more characteristic figures for the Southern States in Table VII.

As we see the increase in the number of farms owned by negroes is undeniably considerable, although not so great as that in the number they use. The increase in the case of farms held by negroes was 17 % as against 5 % in that of those held by whites. Yet still more considerable has been the progress in the matter of the improvement and enlargement of the existing farms. Although the average of the holdings of the negroes in the South is smaller than that of those of the whites (162.1 acres for the whites and 108.8 acres for the negroes in 1910 as compared with 177.2 acres and 106.6 acres respectively in 1900), they have shown a decided tendency to increase to a far greater extent than those of the whites (increase in the land held by the blacks in the period 1900-1910: 17.5 % as against 2.5 % for that held by the whites).

There has been a similar increase observable in the improved lands (15 % in comparison with the previous decade) and the value of the land and buildings (136 % since 1900): while in 1900 the average value of the negroes' agricultural holdings was 571 dollars, in 1910 it had become 1,250 dollars; so also the average value per acre increased from 7.98 dollars to 17.40 dollars.

As we see, therefore, the advance has been more in quality than in quantity and so is the more promising for the future.

TABLEAU VII. — *Land holders Working their own Farms in the South, according to Race.*
(White and Coloured) 1900-1910.

| Geographical Region | Number of Farms | | Area of Farms (acres) | | Improved Farms (acres) | | Value of Land and Buildings (dollars) | |
|---|-----------------|-----------|--------------------------|-------------|---------------------------|------------|--|---------------|
| | 1900 | 1910 | 1900 | 1910 | 1900 | 1910 | 1900 | 1910 |
| | | | | | | | | |
| <i>South Atlantic:</i> | | | | | | | | |
| White | 442,396 | 491,103 | 64,498,437 | 63,483,405 | 25,700,843 | 26,148,320 | 741,156,350 | 1,487,725,662 |
| Negroes and other Coloured Races | 85,116 | 101,961 | 4,427,439 | 5,646,378 | 2,099,232 | 2,695,947 | 36,982,908 | 103,568,619 |
| <i>East South Central:</i> | | | | | | | | |
| White | 413,775 | 451,715 | 53,543,623 | 52,592,020 | 23,660,079 | 25,170,277 | 588,037,473 | 1,064,815,312 |
| Negroes and other Coloured Races | 49,911 | 58,737 | 3,837,853 | 4,539,952 | 1,714,020 | 2,213,645 | 28,539,910 | 70,937,214 |
| <i>West South Central:</i> | | | | | | | | |
| White | 327,655 | 383,136 | 91,714,424 | 98,848,268 | 20,579,221 | 28,263,944 | 618,628,135 | 1,671,394,113 |
| Negroes and other Coloured Races | 51,649 | 57,769 | 5,093,392 | 5,595,206 | 2,233,553 | 2,621,527 | 41,096,510 | 96,486,405 |
| <i>Total for the South:</i> | | | | | | | | |
| Whites | 1,183,806 | 1,326,044 | 209,756,484 | 214,923,693 | 69,940,143 | 79,882,541 | 1,947,821,058 | 4,223,935,087 |
| Negroes and other Coloured Races | 186,676 | 218,467 | 13,328,684 | 15,694,536 | 6,026,805 | 7,531,110 | 106,619,328 | 272,992,238 |

§ 5. NEGRO RURAL ASSOCIATIONS AND CO-OPERATIVE SOCIETIES.

The union of forces has contributed to this progress. There are several negro agricultural associations and co-operative societies, of economic character or for the promotion of moral and material interests. They have arisen under difficulties and are therefore fruitful of good results.

The first associations for the improvement of the negro race were formed amongst the whites, or by whites and blacks together on the initiative of enlightened minds in the universities or in the various churches. Those formed among the negroes alone for their economic and social advance were only founded later.

Amongst those specially concerned with agriculture the first in importance is the *Tuskegee Conference*, which held its first meeting at Tuskegee (Alabama), in 1880. This organization has worked continuously and actively on behalf of the negro farmers, especially the Southern farmers, bringing them into contact with each other and spreading new and improved methods of cultivation. The *Tuskegee Institute* founded by this organization is the principal centre for the economic and educational progress of the negroes.

The *Southern Improvement Association*, established in the neighbourhood of the Tuskegee Institute, succeeded in the six years preceding 1889 in obtaining about 4,000 acres for negro farmers who cultivated them under the direction of agents of the society and afterwards became proprietors of small farms of from 40 to 60 acres.

The *Farmers' Improvement Association of Texas*, the members of which (negroes) now possess more than 75,000 acres of a value of more than 1,000,000 dollars, founded an agricultural college at Lavonia, Texas, in 1906 and a bank at Waco (Texas) in 1911.

Let us also mention the *Country Farm Association*, founded in November, 1909 at Woodstown (New Jersey), with the object of spreading among the negroes the most improved methods of agriculture and sale of produce.

We shall briefly mention other organizations which, although not agricultural, have often been of assistance to the negro farmers. The *National Negro Bankers' League* organized at Boston in 1890 to stimulate enterprises of economic character among the negroes, and increase their members, includes 11 leagues having for their field of action entire States and also 21 local leagues. The *National Negro Bankers' Association*, founded in 1906, represents 64 negro banks with a capital of 1,600,000 dollars and total business of 20,000,000 dollars.

§ 6. SOCIAL CONDITIONS OF THE NEGRO FARMERS.

The economic progress of the negroes in agriculture has been accompanied by their continual social improvement. This movement of a whole race that, after centuries of slavery, is tending to rise to the level

of the most advanced of those fellow citizens amongst whom its members live has been favoured by various circumstances. With the activity displayed in varying degree by the public authorities is united that of private associations both of whites or negroes, and of individuals inspired by humanity or patriotism. Let us mention such foundations as the *James Fund* and the *Slater Fund*, which have been and still are so important for negro education, especially in the South. The work of the Universities has been continuous and enlightened and their professors and students have accomplished studies and carried out investigations into the economic and social conditions of the negroes, exposing their most urgent needs.

The elementary school every year draws numbers of negroes from the darkness of ignorance, so that, while at the date of their emancipation, the great mass of the negroes were illiterate, in 1910, the illiterate negroes over ten years of age were 30.4 % (44.5 % in 1900).

The church in its various sects and divisions has also contributed to the work of progress. In the United States the negroes have their own churches, with clergy of their own race; the religious idea, advancing from what was almost idolatry in the first years after the abolition, has undeniably been a generally civilizing influence, especially amongst negroes in the country. The clergy, now more cultivated and enlightened, have been able, in addition to diffusing moral and religious principles among the negroes, to carry on a work of economic and practical instruction in places where other influences could not penetrate.

We must finally observe a general improvement in the outward conditions of field life. Progress from this point of view varies greatly in different localities, with the greater or less influence the various factors of civilization have been able to exert, the vicinity of cities, the means of communication and the greater or less difficulty of breaking with old local traditions. In some parts of the country, as on the coast of South Carolina, where in the slave days negroes were engaged in no other work than the rude and simple cultivation of the plantations, remote from communication with whites, except their masters and overseers, progress has been very slow. In other places, however, where the conditions were more favourable, the contrary has been the case. The rude hut made of tree trunks in which the slaves and even those liberated used to sleep after the fatigues of the day, crowded together in a small space, has been succeeded by a cleaner and healthier house, often provided with all the comforts of modern life. Economic and intellectual progress has rendered the need for greater comforts more keen, the desire for education more ardent.

These few notes will suffice to give an idea of the progress made by the negroes of America in little more than half a century and the beneficent influence that agricultural life has exerted upon them.

FRANCE.

MISCELLANEOUS NEWS.

1. — AGRICULTURAL SOCIAL COURSES. — The idea of the formation of a superior agricultural class by means of agricultural social courses is making progress and is realised in practical forms varying with the needs of the various regions.

Thus the *Union des Syndicats agricoles Vosgiens* (Union of the Agricultural Syndicates of Vosges) recently, with complete success, organized a week of Agricultural Social Courses at Bazoilles from the 8th. to the 15th. February. These courses were only attended by young farmers already members of the syndicates of their communes. In the invitation circular the President of the Unions represented to the managers of the syndicates the necessity of recruiting and forming a greater number of collaborators to manage the rural institutions.

With this object in view, the character of the courses and lectures has been very markedly practical. In the scheme now recognised, which provides for each day two morning courses, a visit of instruction in the afternoon and a third course in the evening, there would also be included a small number of theoretical courses and a whole succession of demonstrations relating to the technique of the associations and farms. Let us note, among these demonstrations, lessons on the bookkeeping of a mutual livestock society and a credit bank, studies on the cost of agricultural production, the calculation of the cost price, sale contracts, wages, commissions, transport, all matters of great practical importance for the associations and for good farming.

(Summarised from *la Chronique sociale de France*, of February 25th., 1914).

* * *

2. — AGRICULTURAL LABOUR CONGRESS. — The first National Agricultural Labour Congress organized by the *Société Nationale de protection de la vie d'oeuvre agricole* (National Society for the Protection of Agricultural labourers), founded by M. Fernand Davis, will be held in Paris on the 4th. and 5th. December next.

Six divisions will be made for the work of the Congress.

1st. The Division for Rural Legislation, Wages and Insurance, presided over by M. Souchon, Professor at the Paris Faculty of Law and Lecturer at the National Agronomic Institute ;

2nd. That of Popular Agricultural Instruction, of which the President will be M. Tisserand, Member of the Institute and Honorary Director of Agriculture ;

3rd. That for Employment of Labourers, with, as President, M. Blanchard, Director of the Agricultural Office of Loire ;

4th. That for Land Credit, Labourers' Houses and General Health, the President of which will be M. Tardy, Principal Inspector of Mutual Credit and Agricultural Co-operation ;

5th. That of Small Agricultural Trades, with M. Dufourmantelle formerly president of the Society of Social Economy, as President ;

6th. That of *Métairie* and the Various Contracts of Lease, under the Presidency of M. Marcel Vacher, Vice-Secretary of the National Society of Agriculture.

* *

3. — THE DOUBS AGRICULTURAL ASSOCIATIONS HOUSE. — At Besançon, on March 6th., the Minister of Agriculture and the Minister of Labour laid the foundation stone of a building to serve as the head quarters of 250 agricultural associations of the Department of Doubs, and especially of the mutual societies, all united in a *Fédération des associations agricoles du Doubs* (Federation of Doubs Agricultural Associations). The first of these unions was a departmental syndicate, with which a number of other important syndicates united. There joined these the mutual insurance societies of which most are united in a departmental reinsurance society, a Regional Agricultural Credit Bank, uniting 24 local banks, without counting the independent rural banks, and the livestock improvement syndicates, more than 70, united in federations.

* *

4. — INDUSTRIES AUXILIARY TO AGRICULTURE. — The 34th. General Meeting of the National Society for the Encouragement of Agriculture (*Société Nationale d'Encouragement à l'Agriculture*), was held in Paris from February 17th. to 19th. It as usual formed a special congress, occupied this year with the farm yard, the produce of which, for example, milk, eggs, poultry, fruit, vegetables, honey etc. provides a revenue of some thousand millions. Nearly 1,000 members were registered for this Congress and among them a large number of farmwomen, whose useful work for the maintenance and prosperity of the farm is recognised.

— RURAL MONOGRAPHS. — The *Société des Agriculteurs de France* (the Farmers' Society) has opened a competition for 1916 for the best monograph of a rural commune. We think it well to give here the scheme of the monograph.

HISTORICAL INTRODUCTION (1).

— *General History of the Commune.*

— *Demographic History.* — Births: Legitimate, Natural. — Marriages. — Deaths. — Movement of the Population — Emigration, Immigration. — Occupation according to Employment.

II. — *Economic History.* — Division of the Land (2). — Kinds of Farms. — Peculiar Customs — Uses with regard to Succession — Rotation of Crops — Clearing — Diseases of the Plants and Animals — Price of Land — Leases — Prices of Agricultural Produce. — Sales. — Modes of Cultivation. — Taxes — Agricultural Associations.

V. — *Social History.* — Conditions of Housing, Clothing and Food. — Customs. — Savings — Alcoholism — Indigence — Foundations — Asylums — Charitable Institutions — Mutual Aid Societies.

PRESENT SITUATION OF THE COMMUNE.

— *Physical Geography* (3) — Localities, Climate, Soil, Water. — Means of Access.

I. — *Population.* — Distribution according to Age, Sex, Condition and Occupation.

II. — *Emigration and Immigration* — Currents of Emigration — Their Causes. — Do the Emigrants Return?

Currents of Immigration. — Are they Intermittent, Periodical or Permanent?

III. — *Division of the Land.* — Large, Medium Sized and Small Holdings. — Facility of Transfer. — Sales. — Seizures. — Communal Land. — Customs in regard to Succession.

This introduction must be soberly treated, in the way of a simple preface, to explain and give value to the monograph and not to smother it, sacrifice the present to the past, or make a display of erudition and archaeology. It must lead the reader to the eve of the present day; but, owing to its points of contact with the second part, which some of the same ground is necessarily gone over again, it is subordinate, and must not take all the life and prominence to the contemporary facts in that part, which is, properly speaking, the real monograph.

Small Holdings: from 1 to 6 ha.

Medium sized Holdings: from 6 to 40 ha.

Large Holdings: of 40 ha. and over.

It would be well to give a map in illustration of this section.

V. — *Methods of Farming.* — Farms worked by the Owner and Family. — on Lease — by *Métayers*.

VI. — *Kinds of Farm.* — Different Kinds of Farms in the Commune. Livestock Improvement and Domestic Animals.

VII. — *Agricultural Education.* — Agricultural Instruction. — Experimental Farms.

VIII. — *Rural Industries.* — Union of Agricultural and Industrial Work. — Small Industries. — Auxiliary Industries.

IX. — *Wages and Labourers.* — Abundance or Scarcity of Labourers. Wages in Money or in Kind, according to Season and Employment.

X. — *Condition of the Agriculturists.* — The Various Classes of Agricultural Population (Landowners, Farmers, *Métayers*, Labourers). Dwellings, Clothes, Food.

XI. — *Economic Results.* — Cost Price (1) and Market Price of Agricultural Produce. — Taxes — Prosperous or Critical Situation.

XII. — *Agricultural Syndicates.* — Associations of Various Kinds. Credit — Purchase, Sale, Production.

XIII. — *Thrift.* — Savings. — Mutual Aid and Pension Societies — Insurance.

XIV. — *Assistance.* — Asylums — Hospitals — Medical Aid — Relief.

XV. — Moral and Social State of the Commune. — Moral Relations between the Landlords and their Labourers or Tenants. Prosperity or Distress. — Future of the Commune. — Conclusion.

(1) With regard to the cost price, do not only give general statements, but enter precise details.

GREAT BRITAIN AND IRELAND.

PROPOSALS FOR LAND REFORM IN ENGLAND AND WALES.

SOURCES:

LAND. The Report of the Land Enquiry Committee. Vol. 1. Rural. Vol. 2. Urban. — London, 1913-14. Hodder and Stoughton.

LAND PROBLEM. Notes Suggested by the Report of the Land Enquiry Committee. — London, 1913. Wyman and Sons.

UNIONIST AGRICULTURAL POLICY. By a Group of Unionists. — London, 1913. John Murray.

LABOUR PARTY AND THE AGRICULTURAL PROBLEM. — London, 1913. The Labour Party.

LEWIS (Henry D.): The Rural Problem. — London, 1913. Constable.

SPEECHES by the Chancellor of the Exchequer (Mr. D. Lloyd George) at Bedford, October 11th, 1913; at Swindon, October 22nd., 1913; at Holloway, November 29th., 1913; at Fowlthorpe, December 22nd., 1913, and at Glasgow, February 4th., 1914, and by the Prime Minister (Mr. H. H. Asquith) in London, December 9th., 1913.

For other publications relating to the Land Question and the more important articles that have been written on the subject, see the Bibliography at the end of the Section "Miscellaneous" in the Bulletin of May, 1914.

INTRODUCTION.

Considering the very severe crisis through which agriculture has passed in England in the last forty years, it is somewhat surprising that little change has been made in the English land laws. While in Ireland, during the same period, the land system has been completely revolutionised, in England only slight modifications have been made with a view to securing to the tenant compensation for improvements or for disturbance or to relieving the agricultural interests from the pressure of land taxation. It is only now, when the crisis is past and agriculture is recovering from the depression, that the land system is being called in question, and demands are arising on all sides for its fundamental amendment.

The reasons for this new and general interest in the land question are manifold. In large part it is a phase of the greater interest which is now taken in social questions; England being an industrial country, these

were considered first in connection with urban conditions, but the turn of the rural dweller has now come and the conditions of the agricultural labourer are attracting attention. Even from the point of view of town workers it is felt by social reformers that something must be done to improve the agricultural labourer's position, since low wages in the country and the migration to the towns tend to depress industrial wages. There has, again, been an awakening to the importance of agriculture in the economy of the country, the failure to recognize which was largely responsible for the fact that so little was done to combat the agricultural crisis or to mitigate its effects. Questions, too, of the national physique, both from the general and the military point of view, and of food-supply in time of war are being actively discussed and these are intimately related with the condition of agriculture. Fiscal questions, again, such as the enlargement of the basis of taxation on the one hand and the renewed demands for protection on the other, have helped to bring the land question into prominence. Nor does this by any means exhaust the list of influences which are moving the country in the direction of land reform.

§ 1. THE LIBERAL LAND ENQUIRY.

The Liberal Government, which has already established old-age pensions and a national system of insurance against sickness and invalidity is now putting forward proposals for the amendment of the land system. It had, indeed, already to some extent prepared the way for land reform by the great valuation which is being carried out under the Finance Act of 1910, but before deciding upon the form which its proposals should take, the Government asked some of its supporters to conduct a careful enquiry into the land question. Thus was formed the so-called Land Enquiry Committee, the Report of which has been published in two volumes under the title of "The Land, The Report of the Land Enquiry Committee. Vol. I: Rural. Vol. II: Urban". It is with the first of these volumes that we are here chiefly concerned, and we shall give, in some detail, the conclusions and recommendations which it contains.

In considering these, it will be well to bear in mind the essentially party character of the Enquiry. Although undertaken at the request of the Government it was not, strictly speaking, an official enquiry, since the Committee was neither a Parliamentary Commission nor a Departmental Committee. It was unofficially organised with a view to propounding a Liberal land policy and consisted exclusively of Liberals. This fact had, doubtless, considerable influence upon the conclusions arrived at and may even have coloured the statements of fact upon which the conclusions were based, although every effort seems to have been made to furnish an impartial account.

It should also be noted that in conducting the enquiry the social point of view was given precedence over the economic; that more importance was

attached to the improvement of the condition of the agricultural labourers than to promoting the welfare of the farmers and that the interests of the farmers were given priority over those of the landlords. This point of view determines the order of the Report, which deals successively with the wages and hours of labour; the rural housing problem and the conditions under which the labourer holds his cottage; the question of access to the land and the means whereby the labourer can rise from his position as a wage-earner; the cultivation of the soil and the reasons why much land is at present undercultivated; compensation for damage done by game; the tenure of land (including the questions of security of tenure and compensation for improvements) and the question of rural rating. It also touches lightly on transit, credit, co-operation and education.

As to the method of the enquiry, which must also be borne in mind in estimating the value of its conclusions, the Committee studied, in the first place, the many official documents which are available, such as statistics and reports of Parliamentary Commissions. The information so obtained was supplemented by a special investigation. The country was divided into twelve districts for each of which a Head Investigator was appointed, with instructions to prepare a general report himself and to obtain answers from representative persons to two carefully-prepared sets of questions. To the first of these, which related principally to wages, hours of labour, housing and allotments, 2,750 replies were received. The second dealt with such matters as conditions of tenure, game and the acquisition of land and was filled in by 866 persons.

Let us now see what are the conclusions of the Report in regard to the various subjects with which it deals.

(a) *The Labourers' Wages.*

An exhaustive official inquiry into the wages of agricultural labourers was made in 1907, from which it resulted that in that year the average weekly earnings (including, in addition to the weekly cash wages, all special payments for piecework, harvesting, etc., and all allowances in kind) of ordinary agricultural labourers were over 18s. in 16 counties of England, between 17s. and 18s. in 8 counties and under 17s. in 15 counties. The highest average was in Durham, where it reached 21s. 9d. and the lowest in Oxfordshire, where it was only 14s. 11d. These figures, it should be noted, refer only to able-bodied adult labourers in regular employment.

The Committee presents a calculation, based on these figures and the Census Returns of 1901 from which it appears that over 60 per cent. of the ordinary agricultural labourers in England between the ages of twenty and sixty-five were in receipt of total earnings of less than 18s. per week. It is admitted that the calculation cannot pretend to scientific accuracy, but it is claimed that the deduction is substantially correct. Men in charge of animals (horsemen, cattlemen, shepherds) receive somewhat higher wages, but these higher rates, it is stated, represent payment for additional as well as for more skilled work. In Wales and

Monmouthshire it was found impossible to give separate averages for each class of agricultural labourer, the farms being generally too small to admit of distinctive duties being assigned to particular men. The average total earnings for all labourers in Wales and Monmouthshire varied from 16s. 6d. in Cardiganshire to 19s. 3d. in Glamorganshire. Making a similar calculation, the Committee arrived at the conclusion that in Wales and Monmouthshire 36 per cent. of all labourers are earning less than 18s. a week.

To bring the figures more up to date, the Committee avails itself of statements published by the Board of Trade, which show that there was a slight continuous rise in the *cash* wages of agricultural labourers between 1900 and 1912. As compared with 1907, the general average of *cash* wages was 2.8 per cent. higher in 1912. Amongst the questions asked by the Committee in its Enquiry Schedule (which was sent out in 1912) was whether wages had risen or fallen in the five previous years, and out of 2,292 parishes from which answers were received, it was stated that there had been no change in 1,301 parishes, a rise in 954 and a fall in 38. It appeared that the largest rise had taken place in the counties where the labourers were already the most highly paid and that in most cases it had taken place in 1912.

An attempt is made in the Report to estimate the fluctuation in the purchasing power of the labourers' wages. No records of the fluctuations of retail prices for country districts are available, but taking the official figures for London and substituting the quantities of different commodities consumed by typical rural households, the Committee arrives at index numbers showing the variations of retail prices of food commonly consumed by rural labourers. Taking the year 1900 as 100, the index-number for 1907 is 106.4 and for 1912 it is 116.3. It is stated that there was little or no increase in the cost of house rent or clothing between 1907 and 1912 and that the increase in the cost of living is not, therefore, so great as would appear at first sight from these figures. Moreover labourers usually obtain some of the food they consume from their own gardens or allotments or by way of perquisites from farmers. Assuming, however, that a labourer with a wife and three children spends only 10s. a week on food, the Committee finds that what he could have bought for 10s. in 1907 would have cost him 10s. 11d. in 1913. The Committee draws the deduction that when the increased cost of living has been taken into account, the *real* earnings of nearly 60 per cent. of the ordinary agricultural labourers have actually decreased since 1907.

The Committee made a special inquiry regarding hours of labour from which it resulted that, in more than two-thirds of the villages from which answers were received, the usual hours of work, in summer, are 70 hours or more, exclusive of meal times, and that the men have to work extra hours during harvest. It is very rarely that agricultural labourers are given a half-holiday on Saturday, and it is said that the absence of this is felt very keenly by them, especially in view of the fact that it is now almost universal in the towns.

The Report discusses at some length the question whether the wages to agricultural labourers are sufficient to keep them and their families alth, but refrains from making a calculation of the total sum necessary to maintain a family of average size in a state of physical efficiency.

It expresses, however, the belief that if such calculations were made it would be found that, except in a few counties, the average weekly wages of ordinary agricultural labourers would fall below the standard. Illustrations are given of the severe struggle through which an agricultural labourer and his wife must pass in order to bring up a family.

Turning to the results of low wages, the Report states that, after the reduced vitality due to insufficient feeding, the disastrous effects of low wages upon the rural housing problem are next in importance from the general point of view. The labourer's wages, it is stated, are not sufficient to enable him to pay a commercial rent for his cottage, and the custom has grown up of letting cottages at rents at which it does not pay to build new ones. To this question a special chapter is devoted later in the Report, the conclusions in which we shall notice presently. A further effect is emigration or migration to the towns, of which low wages are the principal, but not the exclusive cause. The influx of the rural dwellers into the towns has tended to increase the severity of the competition for work in towns and has led to the displacement of town-born workers.

Declaring that there is urgent need for a higher standard of wages, the Report points out that there are three ways in which wages might possibly be raised, apart from any legislative action. These are:

- (a) The growth of small holdings.
- (b) The growth of agricultural prosperity combined with a shortage of

- (c) The growth of trade-unionism.

The conclusion is, however, drawn from a discussion of these possibilities that there is no reason to believe that wages can be effectively raised by these means, and it is urged that the best hope of the labourer is that the State should come to his assistance by enforcing a higher wage. It is recommended that Wage Boards should be set up, with the duty of fixing the wages of agricultural labourers at least at such a sum as will enable the labourer to keep himself and an average family in a state of physical efficiency and to pay a commercial rent for his cottage.

In support of their recommendation the Committee maintain that increased wages will result in more efficient labour, but they suggest reforms which, in their opinion, will enable the farmer to pay a higher wage and they recommend that where, in spite of the advantages derived from these reforms, the farmer is still faced with a burden unduly severe, he should be compensated by a corresponding reduction in his rent. The following figures, which are not to be taken as strictly accurate, show roughly the relation between rent and wages in England and Wales.

| | |
|--|------------|
| Total net rent of agricultural land | 24,500,000 |
| Total earnings of 405,588 labourers between 20 and 65 | 19,000,000 |

Extra amount needed to raise the earnings of labourers between 20 and 65 to :

| | |
|----------------------|-----------|
| | £ |
| (1) 18s. | 591,000 |
| (2) 20s. | 2,041,000 |
| (3) 22s. 6d. | 4,663,000 |

(b) Rural Housing.

Reverting to the question of Rural Housing the Report outlines attempts made by the Legislature during the past sixty years to deal with the problem. They have, however, had but little effect in improving housing in the country districts, and the Committee estimates that, if all cottages now unfit for human habitation were closed, there would be a shortage of no less than 120,000 cottages.

Under the Housing and Town Planning Act of 1909, much has been done by local sanitary authorities to improve the condition of existing cottages, but under the same Act a large number of cottages (more than 100,000 up to the end of 1912) have been closed and this action, though admittedly necessary, has made the housing problem even more acute. On the other hand, owing to the lack of alternative accommodation, the authorities refrain from closing many houses which are really unfit for habitation.

Private enterprise has completely failed to supply the need for new cottages, for reasons already noted, and though a certain number of cottages have been erected by the rural district councils under the Act of 1909, the number erected is small compared to the number closed. The Committee recommends that the Local Government Board should be given increased powers of insisting upon the erection of cottages by local authorities should also have the power of themselves acting in default.

Apart from the insufficiency of the housing accommodation and the unsanitary condition of many existing cottages, there is another important aspect of the rural housing question. The agricultural labourer (more particularly in the South of England) very often lives in a cottage which he rents from his employer. To this system, known as the "tied cottage system," is largely attributed the labourer's lack of independence. The labourer who lives in a tied cottage knows that his employer can not only dismiss him from his work but can evict him from his home.

The great difficulty of obtaining another cottage naturally makes the labourer doubly afraid to take any action by which he may risk losing his employment. Moreover he is afraid of asking necessary repairs for his cottage lest it should result in his dismissal.

The tied cottage is often let at a reduced rent, so that the labourer is really receiving part of his earnings in kind. Should he elect to go into a cottage belonging to another person than his employer, he would lose a portion of his earnings. Nevertheless, it is stated that, in order to be more independent, labourers often prefer to pay a higher rent for a free cottage. It is alleged that farmers sometimes use the power which the tied cottage system gives them to insist upon the labourer's wife and children working for him instead of for others. Yet another evil of the system is that old men who are past work are turned out of their homes and are often unable to find another in their native village.

Even where the labourer lives in a cottage let direct by the landowner, the shortage of cottages is said to prejudice seriously his liberty. The Committee, therefore, recommend that labourers' cottages should be held subject to a minimum notice of six months and that it should be made illegal to let cottages to a farmer for him to sub-let to his labourers.

(e) The Labourer's Access to the Land.

With a view to giving to the labourer a better prospect of rising to a higher position in life, the Committee urge that greater facilities should be given for the acquisition of cottage gardens, allotments, and small holdings. Evidence is produced of the desire for land on the part of the labourers and various recommendations are made for supplying it more rapidly than is being done under the existing Small Holdings and Allotments Acts. It is suggested, amongst other recommendations, that in new housing schemes where public money is lent, it should be insisted that not more than four cottages should be erected to the acre; that parish councils should have the right to obtain compulsory orders for the purchase of land at prices to be fixed by a special tribunal, and that county councils should have similar powers in regard to land for small holdings; that the provision of small holdings by county councils should be stimulated by giving to the central authorities the power to withhold grants-in-aid in cases where the Acts are not energetically administered, and that the Board of Agriculture should have extended power of acting in default.

(d) Under-cultivation.

The extension of the number of small holdings is advocated on other grounds besides that of offering greater independence and a chance of rising to the labourer. One of these reasons is that large farms are often under-cultivated and a chapter of the Report is devoted to evidence of under-cultivation and to the reasons why it occurs. Amongst the hindrances to the proper development of agriculture which are noted are the following:

- (1) That farmers are prevented by insecurity of tenure from improving their land;
- (2) That labour is insufficient, the best labourers having migrated to the towns;

- (3) That great tracts of country are devoted to sport and the preservation of game and that serious damage is done to crops by the game;
- (4) That landowners do not see a sufficient prospect of getting a return on the capital which would be expended in the reclamation of waste lands;
- (5) That many farmers have an insufficient knowledge of the best scientific methods;
- (6) That, in many cases, men without sufficient capital are endeavouring to cultivate large areas;
- (7) That much land has been laid down to permanent pasture which could be more profitably cultivated;
- (8) That, under the present system of local taxation, all improvements are rated and improvement is thereby discouraged.

It is pointed out that in 1908 the net agricultural output of England and Wales was estimated at £ 127,650,000 per annum and that even a small percentage of increase would mean an important addition to the national wealth.

The Committee collected evidence regarding the damage done by game and came to the conclusion that it was considerable. Under the Agricultural Holdings Acts, 1908, and the Ground Game Act 1880, farmers can claim compensation for such damage, but the Committee were of opinion that the compensation so paid was inadequate, mainly because the farmers, not having security of tenure, were afraid to press for all the compensation to which they were entitled. Some suggestions are made for amending the laws relating to compensation, but the committee is emphatic in saying that these reforms will be of comparatively little value if provision is not made for granting complete security of tenure to tenant farmers, subject to good farming.

(e) *Security of Tenure.*

From another and more important point of view the Committee also insisted upon the necessity of security of tenure. Without it, they declare, complete justice and freedom cannot be enjoyed by the farmer nor can the land produce its full yield. Under the Agricultural Holdings Act of 1908, an outgoing tenant can obtain compensation from the landlord for certain specified improvements, but in many cases the previous consent of the landlord must have been given if compensation is to be claimed, and it is said that such consent is difficult to obtain. The Act also gives compensation for "unreasonable disturbance," but this only covers the loss or expenses in connection with the sale or removal of his household goods, implements, produce or farm stock. There is, moreover, no provision to prevent a landlord from demanding an increased rent upon the tenant's improvements, though if, as a result of such demand, the tenant is obliged to leave his holding, he is entitled to compensation for disturbance.

The Committee propounds three methods by which complete security of tenure could be obtained:

- (1) State-aided purchase by the tenant farmer.

(2) Tenancy under the State or some other public body.

(3) Complete fixity of tenure subject to the control of some impartial tribunal such as a Land Court.

These methods are discussed in detail, but the Committee dismiss state-aided purchase as impracticable. Since, as we shall see presently and as the Committee itself states, there is a considerable body of opinion in favour of state-aided purchase, it may be well to give, with some fulness, the reasons why the Committee rejects it as a possible solution.

Under a scheme of which the author is Mr. Jesse Collings, M. P., and which has been presented to Parliament in the form of a Bill known as the Land Purchase Bill it is proposed that the State should advance money at $\frac{1}{2}$ per cent. to include interest and sinking fund. In the opinion of the Committee this would be financially unsound, since the State is unable to borrow at so low a rate as 3 per cent. The so-called Haversham Committee, a Departmental Committee appointed to inquire into the position of tenant farmers in the case of the sale of the estates on which they hold land, considered various schemes and eventually decided to recommend as financially possible a scheme whereby four-fifths of the purchase money should be lent, $3\frac{1}{4}$ per cent. being charged as interest and a further $\frac{3}{4}$ per cent. to cover sinking fund, expenses and contingencies. From the date of the Haversham Committee's Report, Government securities further depreciated and the Land Enquiry Committee held that the lowest rate at which Land Stock could be issued was $3\frac{1}{2}$ per cent. Further, they point out that the $\frac{3}{4}$ per cent. to cover sinking fund and expenses of management would only enable a farmer to purchase in 75 years. The scheme of the Haversham Committee, they say, involving the payment of 4 per cent. on four-fifths of the purchase price, met with scant favour amongst tenant farmers desirous of purchasing and they argue that at $4\frac{1}{4}$ per cent. there would still be less inclination to purchase.

Referring to land purchase in Ireland, the Committee argue that it should not be regarded as a precedent for land purchase in England.

In Ireland land purchase was based upon considerations of national policy and it is being carried out at enormous expense to the taxpayer. Apart from the cost of administration, the total cost to the taxpayer up to March 31st., 1912, in bonuses to landlords and in the loss upon the issue of land-stock below par amounted to £13,410,066, while a further cost of £10,000,000 would probably be incurred in the same way on the purchase of land-segments which had been lodged but not fully dealt with.

Evidence is given to show that what the farmer desires is not ownership but security of tenure, and calculations are presented to show that, under a system of State-aided purchase which was financially sound, the farmer would generally be paying an annuity charge higher than the rent he would pay as tenant. The objection is also raised that the purchasing farmer would be sinking a portion of his capital, and would have less capital for working the land.

The Committee express the view that the extension of public ownership of land would materially advance the solution of the problem under consider-

ation, but argue that it would be impossible for the ~~grasses~~ local authorities to purchase sufficient land within any reasonable period to give security of tenure to more than a small proportion of the agricultural tenants of England and Wales. They further believe that the establishment of some judicial body to fix fair rents and fair prices of land would be an indispensable preliminary to any great extension of the policy of public ownership. They, therefore, advocate the establishment for England and Wales of a Land Court, which, in addition to giving security of tenure and fixing fair rents, should also have power to decide the question of compensation at the close of a tenancy.

It is recommended that no landowner should be allowed to turn a farmer out of his holding except with the consent of the Court, and that the farmer's security of tenure should not be affected by the sale of the estate. The present legal power of the landowner to raise the rent upon a tenant's own improvements should also, it is urged, be kept in check by the action of the proposed Court in fixing rents.

An important function would be assigned to the Land Court in connection with the proposals to fix a minimum wage for agricultural labourers. It is urged that the landowner should in justice bear a fair share in the additional burden of higher wages and that the payment of that share cannot be ensured nor its amount satisfactorily determined except by a Land Court which, in fixing fair rents, would take into consideration the increased wages bill.

(f) *Local Taxation.*

In regard to the question of local taxation the Committee declares that the building of cottages, the establishment of small holdings, the better equipment of farms and all higher or intensive cultivation are penalised by the present system, whereby any improvement in the letting value of a property results in an increase of the valuation upon which the local rates are assessed. For the Committee's recommendations on this question we must look to the Second Volume of their Report ("The Land, Vol. 2 Urban.") in which the rating problem is dealt with in relation both to urban and rural land. In this it is proposed that the grants-in-aid from the Imperial Exchequer for local services should be largely increased; that a portion of the local taxation should be assessed on the site value of the land instead of on the total value of the property, and, further, that the site value of agricultural land should be calculated, for purposes of assessment, at such a fraction of its actual value as would keep the total contribution from agricultural land proportionately the same in relation to the other hereditaments as it was before the change.

§ 2. THE GOVERNMENT'S PROPOSALS.

Let us now see to what extent the Liberal Government have adopted the recommendations of the Land Enquiry Committee, and what are the proposals which they have put forward. These have not yet been embodied

a Bill, but are to be found in speeches delivered by the Chancellor of the Exchequer (Mr. Lloyd George) and the Prime Minister (Mr. Asquith).

In regard to agricultural labourers, it is proposed that a minimum wage should be secured to them by an extension of the Trade Boards Act. It is further proposed to create a Ministry of Lands, some of the powers of which would be exercised through Commissioners of a judicial character. Amongst the powers so exercised would be those of revising the hours of labour and granting to tenant-farmers an abatement of rent to enable them to pay a living wage to their labourers.

The Commissioners would also have power to revise all notices to quit, where the reason assigned was inadequate, to treat them as null and void, or to award full compensation to the evicted farmer.

They would have similar powers to award compensation for improvements and for disturbance in cases where a farmer was given notice to quit because the estate was about to be sold. Further they would have general powers of fixing fair rents and of fixing the price of land when compulsorily acquired for any public purpose.

To the Ministry of Lands would be assigned all the functions at present exercised by the Board of Agriculture; the machinery of valuation set up under the Budget of 1909, and the administration of the law affecting settled estates at present administered by the Court of Chancery. New duties would also be assigned to it in connection with registration of title and transfer, with a view to the simplification of the present systems. It would also be given powers to acquire derelict and uncultivated land and forest, reclaim or prepare it for cultivation.

It is further proposed that the provision of cottages should be undertaken on a large scale by the Central Government, the Reserve Fund created under the National Insurance Act being utilised for this purpose. For cottages so created a commercial rent would be charged.

Facilities would also be offered for the erection of cottages in the country for town-workers, in order to relieve the over-crowding in the towns, and to make this possible, means of transit would be improved.

Local rates would be reduced by increasing the contribution of the Imperial Exchequer to the cost of certain services.

Much still remains vague in the proposals, which will doubtless become clear when a Bill is drafted. It is not yet fully clear, for example, what functions of the Ministry of Lands would be exercised through Judicial Commissioners and what through executive officers.

§ 3. CRITICISMS OF THE LAND ENQUIRY COMMITTEE'S REPORT.

The Report of the Land Enquiry Committee has, naturally, been subjected to considerable criticism from various quarters. The criticism which, perhaps, carries most weight is contained in a pamphlet entitled "The Land Problem: Notes suggested by the Report of the Land Enquiry Committee." These notes are published under the auspices of the so-called

Land Conference, a body consisting of delegates from the Surveyors' Institution, the Auctioneers' and Estate Agents' Institute, the Central Chamber of Agriculture, the Farmers' Club, the National Farmers' Union, the Central Land Association, the Land Agents' Society, the Rating Surveyors Association, the Central Association of Agricultural and Tenant Right Valuers and the 1894 Club. The Land Conference recommends the pamphlet as a valuable contribution to the Land controversy, but does not hold itself responsible for the whole of the views and statements it contains.

In regard to the earnings of agricultural labourers, the pamphlet states that the broad fact is beyond controversy; that the rate of cash wages paid in some agricultural districts is very low and that every one is prepared to support any really sound measures which can be reasonably expected to effect a rise. It challenges the figures given in the Report, however, as obsolete and unreliable. It complains that the Report makes no attempt to explain variations in rates of wages. In arable districts the sum paid in wages per acre is high and the amount paid per individual relatively low. In districts where grass predominates, the wages per acre are low and per individual relatively high. Any increase in the area under the plough will, it is contended, at once increase the demand for labour, and, as the supply is short, a considerable rise in wages in the lowest-paid districts will be the immediate result. The Report had also omitted to allude to the dispossession of hand-labour by machinery. Apart from these omissions the Report had admitted that up to 1912 wages had been slowly rising and the pamphlet states that men of experience in rural affairs are well aware that they have risen in 1913.

The pamphlet also challenges the calculations whereby the Report endeavoured to show the relation between the rise in wages and the increase in the cost of living. It points out that whereas the Report states that the rise in wages has been greatest in the better-paid districts, it omits to notice the explicit statement in the "Board of Trade Enquiry into the Cost of Living in the Working Classes in 1912" (upon which it mainly relies for evidence of the rise in prices) that the greatest mean increase in the prices of necessities has been in Lancashire and Cheshire, the smallest increase has been in the Southern Counties and the next smallest increase in the Eastern and East-Midland group of counties; in other words, that the smallest increase in the cost of living has been in those districts where agricultural wages are still the lowest.

It is pointed out, moreover, that while the calculations of the Land Enquiry Committee are based on the supposition that the increase in retail prices in rural districts does not differ materially from the increase in London, the figures supplied by the Board of Trade show that there were considerable differences even between the mean increase in London and the mean increase in other urban centres. Thus, whereas the index-number for 1912 (taking 1905 as 100) was 151.7 in London, it was 137 in the East-Midland urban centres and only 112.4 in the urban districts of the Southern counties.

On the necessity for increasing the supply of cottages, the pamphlet states, most people are substantially agreed, but it considers the calculation that 120,000 cottages are required in rural district as an over-estimate. Assuming that one-sixth of the new cottages are required to replace cottages which are at present occupied though really unfit for habitation, and allowing the normal family to be five in number, the pamphlet points out that the additional supply would be sufficient for 500,000 persons and adds that it is difficult to suppose that any change in agricultural methods or tenures will thus increase the agricultural population. In reference to the subject of tied cottages, the pamphlet points out that the Enquiry Committee omitted to notice that the existence of tied cottages facilitates labourers in obtaining fresh employment, since, if a man goes to a new job he goes from one tied cottage to another.

The policy of fixing a minimum wage is criticised on the ground that farmers, wherever it was possible to do so, would cease to employ their men continuously and would only employ them as and when their services were required. They would, moreover, ruthlessly weed out the less vigorous workers, giving them only casual employment or piece-work. Or, again, the farmer would still further reduce the arable area. "Under a system of artificially high wages," says the pamphlet, "agriculture will tend to revert to the two crops and fallow of a century ago."

While admitting that more produce might be obtained from the soil, the pamphlet expresses a different view as to the causes of the present under-cultivation. It contends that the existing condition of agriculture is due partly to its slow recovery from the tremendous loss of capital which landlords and tenants suffered in the crises of 1876-84 and 1891-99; partly to the continual pressure of foreign competition and the prevalence of low prices; partly to the increasing burdens laid upon land both by Imperial and by local taxation.

The pamphlet urges that the difference between good and bad cultivation depends more largely on differences in the character of the cultivators than on a greater or less degree of security of tenure. The following illustration is given of the way in which the character of a farmer affects the yield of produce: "A man with little capital, or little enterprise, cannot afford, or is indisposed, to take risks. He aims at a yield of $3\frac{1}{2}$ quarters to the acre, instead of 5 quarters and regulates his expense accordingly. He is not likely to get a smaller yield, and may get more. The high farmer with capital and enterprise aims at 5 quarters, and in a bad season gets $4\frac{1}{2}$. Probably, on the average, the enterprising man does not make more than his less ambitious neighbour. But the produce per acre is, of course, greater."

The insecurity of the tenant farmer has, according to the pamphlet, been greatly exaggerated in the Report. With some slight amendments the ordinary security of the tenant would be practically complete. The need for special treatment in cases in which a farm is offered for sale is, however, admitted. It is also contended that the damage done by game is exagger-

ated, and that the increase of game, if there is an increase, is the effect and not the cause of under-cultivation.

Against the proposal for the establishment of Land Courts, the pamphlet urges that in the new relations which will exist between landlord and tenant, the farmer could no longer look to the landlord for financial assistance. It asserts, moreover, as a matter of common knowledge that about half the land of England is rented at from 20 to 25 per cent. below its economic value and that, therefore, many tenant-farmers would have to face the risk of a rise in rent. It is added that the proposed additional power of compulsory expropriation, where land was required for public purposes such as the creation of small holdings, would make the fixity of tenure a delusion in the case of large farmers.

§ 4. A UNIONIST LAND POLICY.

Whereas the Government has officially put forward proposals for land reform, it does not appear that the Unionist Party has as yet included any clearly defined policy in the party programme.

Speeches have been made by party leaders, but they are of a somewhat tentative character, and have not yet committed the party to a definite line of action. The tendency, however, is clearly in favour of giving facilities to tenant-farmers to purchase their holdings.

As illustrating the Unionist point of view, we may mention an important memorandum entitled "A Unionist Agricultural Policy," written by "A Group of Unionists" and published in September 1913. It was prepared, we are told, by a number of Unionists, members of Parliament and others, and is "an attempt to formulate a definite and comprehensive policy for the development of British agriculture."

The principal points of view from which the memorandum is written are (1) the maintenance of the national physique; (2) the development of agriculture as one of the best methods of social reform, and (3) the desirability of maintaining the wheat supply in time of war.

Like the Land Enquiry Committee, the authors of the memorandum make the condition of the labourer their starting point and their conclusions on the subject are scarcely less strongly expressed. "In many counties," they say, "the great majority of the labourers are ill-educated and ill-fed, and consequently inefficient, both mentally and physically. In other counties, where the average wage paid is comparatively high, some employers pay wages considerably below the average."

The memorandum declares that it has become necessary to establish some means of raising wages to a subsistence level, and recommends the establishment of Agricultural Wages Boards. It does not propose that a minimum rate should be fixed for the whole country, but that rates should be fixed for different districts by local boards.

It is also urged that the extension of piece-work should be encouraged. The proposals, it is said, in no way conflict with the historic Tory doctrine of freedom of contract should not be interfered with unless the policy of giving such freedom has failed to produce desirable results from the point of view of the State. "In the case of agricultural wages," continues the memorandum, "the policy of *laissez faire* has produced results inimical to the race and, therefore, the State, for its own preservation, is bound to step in."

The memorandum urges the necessity of reconstructing village life and increasing the interests and opportunities of those living in the villages. It proposes that every cottage should have at least one quarter of an acre of garden, that there should be a sufficient supply of land for allotments, and that a sufficient amount of land should be set aside as a common cow pasture. The present method of providing allotments is held to be too slow and it is suggested that they should be directly provided by the Board of Agriculture, who should appoint a representative in each district, assisted by a local committee.

The urgency of the housing question is noted, and it is stated that experience has shown that local authorities are unwilling to build cottages unless they are assisted by the State in what they consider a national work. It is suggested, therefore, that annual grants should be made to local authorities on such a scale as would enable 125,000 cottages to be built in rural districts.

Considerable stress is laid upon the necessity of providing suitable education. Reforms are suggested in the methods of training teachers, so as to produce teachers of the right type for rural schools. It is urged that the education should be more practical; that greater inducements should be offered to teachers to remain in country schools; that facilities should be provided for suitable children to pass from the elementary school to the secondary or to the higher elementary school; that, to children who have left school, instruction should be given in centralised day classes, which they would attend either two afternoons or two mornings in the week; that instruction for the adult agriculturist should be developed in every direction, special attention being given to the small farmer and labourer; that demonstration farms should be established in every district, and that such larger grants should be given by the State in aid of agricultural education.

The working of the Small Holdings Act of 1908 is discussed and doubt is expressed whether a Committee of a County Council is the right body to deal with the development of small holdings. "The County Councils," says the memorandum, "are buying land in scattered and isolated pieces at great expense and with too little advantage, and they are settling men on the land in the way least calculated to secure their success, instead of giving large areas of land in suitable places and settling the men in colonies." It is maintained that the colony system is the one and only system whereby small holdings, out of which the holder is to make his entire living, can be satisfactorily developed.

Co-operation (including co-operative credit) is advocated and the memorandum touches (somewhat lightly) upon the question of land purchase. It urges that the facilities for the acquisition of land should not be confined to small holders and suggests that the State should be empowered to advance the whole purchase money to tenants wishing to buy their land, such advances being repayable by annual instalments of principal and interest.

With a view to lessening the pressure of local taxation upon land it is recommended that the cost of public services, such as main roads, asylums and police; and a larger proportion of the cost of education, should be defrayed out of the Imperial taxes.

Further recommendations are that the Board of Agriculture should be greatly strengthened, its income being largely increased; that facilities for the transport of agricultural produce should be improved; that the markets should be more efficiently organised and that the industries subsidiary to agriculture should be encouraged.

§ 5 OTHER LAND POLICIES.

An investigation into the rural problem has also been undertaken by the Parliamentary Labour Party, which in the autumn of 1912 appointed a committee of its members to draft a rural programme. The committee not only conducted inquiries in England but also visited Ireland and Denmark. The main object of their visit to Ireland was to investigate the methods of rural housing under the Labourers Acts 1883 to 1911. In Denmark they noted the important part played by co-operation in the rural economy of the country. The recommendations of the Committee are embodied in a Preliminary Report, issued in June 1913 and in a final Report, subsequently published.

The cardinal point of the policy recommended is the public ownership of land. "We strongly hold," says the Report, "that only public ownership and control will secure for the community the best possible use of land and the social values attaching to it." It, therefore, recommends that both central and local authorities should be invested with the widest possible power of bringing land into public ownership by purchase on the basis of the National Land Valuation, the purchase price to be paid either in redeemable land bonds or in terminable annuities.

In addition to this proposal, the Committee recommend a minimum wage for agricultural labourers; fair rent courts; the provision of cottages with the aid of State grants until such time as the wages of labourers reach a standard at which the payment of an economic rent becomes possible; the amendment and extension of the Small Holdings Act; the establishment of credit banks under State authority, and the encouragement of agricultural co-operation.

Yet another investigation has been made by the Fabian Society, the results of which are embodied in "The Rural Problem" by Mr. Henry D. Harben, the Chairman of the Committee appointed by the Society.

The Society recommends a minimum wage of 23 shillings per week for agricultural labourers. As it is held that, although better-paid labour produces better work, the improvement in the value of the work would probably not keep pace with the increased wage, it is proposed that a tenant farmer should be given the option of terminating his contract with his landlord within six months of the enforcement of the minimum wage. If the tenant is already rented nearly as heavily as he can bear, it is argued, the bulk of the burden of the increased cost of labour would be transferred to the landlord, the rent being correspondingly reduced. On the other hand the competition of others anxious for access to the land would prevent the rent from being reduced by more than the amount of the increased cost of labour. The society would prefer to leave the adjustment of the burden to amicable settlement between tenant and landlord rather than submit it to the cumbersome process of decision by a Land Court.

To solve the housing problem, the Society proposes that a State survey of cottage accommodation should be undertaken; that the local authorities should be allowed two years in which to make good the deficiency and that if they failed to do so they should not receive grants-in-aid from the Exchequer for any service whatever until the necessary cottages are built.

It is further proposed that loans should be granted to local authorities for cottage building at the lowest possible rate of interest, and that they should receive annual grants equal to the sinking fund and the half of any loss inevitably or properly incurred in letting the cottages.

The Fabian Society recommends that Land Commissioners should be appointed with power to acquire land compulsorily at valuation. As a further step in the direction of land nationalisation, the Society advocates that in lieu of part of the Death Duties upon land, the State should accept an irredeemable mortgage, which should constitute a permanent charge upon the estate. It is argued that, as the interest of the State in the land increased, land would become, from the point of view of sentiment, a less desirable object and its selling value would be reduced to its true economic value. When the sentimental value had disappeared and the State possessed a large interest in the land, it might then buy out the interest of the landlord and become itself the owner.

Other recommendations are that the railways should be nationalised and state motor services established in rural districts; that agricultural education should be improved by the establishment of experimental farms and free farm schools and the appointment of travelling agricultural instructors; that a large scheme of afforestation should be undertaken by the State; and that grants in aid of local services should be made conditional upon a national minimum standard of efficiency.

CONCLUSION.

It will be seen that, whereas there is, in many respects, great divergency between the policies proposed, in some important matters there is almost complete unanimity of opinion. This is notably the case in regard to the condition of the agricultural labourer, which all parties are anxious to improve. This unanimity was further evidenced by a discussion which took place in the House of Lords on April 21st., when the Opposition asked for the appointment of an official inquiry into the question, a request which the Government refused to comply with on the ground that the figures presented by the Land Enquiry Committee were sufficiently reliable. The proposal of the Government to fix a minimum wage finds considerable support amongst Unionists, but sharp conflicts of opinion are likely to arise over the suggested establishment of Land Courts. It is not unlikely, too, that the policy of giving facilities to the tenant farmer to purchase his farm will be strongly urged in opposition to the Government's policy of giving him complete security of tenure without ownership. It seems clear, however, that all parties are bent upon dealing in a more or less drastic fashion with the Land Question and that whatever may be the turn of political events, we may look for important changes in the English land system within the next few years.

MEXICO.

THE LAND QUESTION IN MEXICO AND THE PROPOSALS OF THE NATIONAL AGRICULTURAL COMMISSION.

(Conclusion).

§. 3. THE LAND QUESTION AND THE CONCLUSIONS OF THE NATIONAL AGRICULTURAL COMMISSION (1).

1. *The elements of the land question in Mexico.* — If we take into account the natural conditions of the Mexican Republic which, as we have seen, are exceptionally favourable to agriculture, we need only remember that nearly every year the country is obliged to import corn and often maize, though maize is the article of food most largely consumed in the State, to see that the disproportion between production and the capacity of production is a question on the solution of which depends the economic future of the country.

The elements of this problem are numerous and complex, but they may be reduced to three; agricultural technique, labour, and the distribution of landed property.

Let us examine each in turn.

2. *The conditions of the soil and agricultural technique.* — There has been much said on the subject of the proverbial fertility of the Mexican soil. But of late it has been asserted that the soil is exhausted and cannot therefore produce as much as it ought. But all the most competent Mexican authorities on this subject unite in affirming that the insufficiency of production is due not to the exhaustion of the soil, but to the rudimentary systems of cultivation.

"As a rule, our soil is all virgin," says Loria, a distinguished Mexican writer. In fact due importance is not given to tillage. The primitive wooden plough makes a very shallow furrow, and thus a thin bed of earth incapable of containing sufficient fertilising matter is all that the plant has to live upon. The result is that the fertilising elements of the land are not utilised, owing to the want of deep ploughing. Besides it may be affirmed that the manuring of the land is not effected according to the dictates of modern science.

(1) See the first part of this article in the number of this Bulletin for May, 1914.

To the inefficiency of the systems of cultivation must be added the want of irrigation works, indispensable to the country.

With the exception of certain hydraulic works, such as those of Atoyac in the State of Puebla, there are no others to regulate the effects of the seasons on the crops; thus the harvests depend exclusively on the lesser or greater rainfall. Considering the extent of the country, the permanent water courses are numerous, and during the rainy season from July to October many torrents, rivers and streams are formed, and fertilise the adjoining land; but if the rains are excessive the effects are disastrous, for the water overflows the fields, carrying away the future crops.

But to remedy this by the necessary hydraulic works and to increase the area of arable land and the yield from it, capital is essential.

Some steps have been already taken by the authorities to supply the need.

In 1908 the Chambers voted a law authorising Government to devote 25,000,000 pesos to the utilisation of water for agriculture and livestock improvement, whether the Government itself undertook the work or encouraged private enterprise by means of grants etc.

The Government was also authorised to guarantee the capital an interest of bonds issued by special credit institutes granting loans to mining, agricultural or livestock improvement enterprises, but at present it cannot guarantee a capital in bonds of more than 50,000,000 pesos.

In virtue of this law, the Loan Bank for irrigation works and for the encouragement of agriculture was at once founded with a capital of 10,000,000 pesos. This institution grants loans on mortgage for periods up to 15 years and loans on the guarantee of a bank for a maximum period of three years. The rate of interest must not exceed 7 % unless authorized by the Minister of Finance, and must be lowered if the bank obtains funds at less than 5 %

3. — *Agricultural Labour.* — One of the greatest difficulties with which Mexican farming has to contend is the insufficiency of labour. This is chiefly owing to the limited requirements of the natives; the standard of living for a Mexican labourer is so low that a few centavos are sufficient for his needs. Thus, though his pay is very small, he thinks it absurd to work continually since he can live for two days on one day's pay.

The insufficiency of labourers has given rise to a characteristic system of recruiting called *enganche*. If an employer thinks that he can obtain the men he requires on a given holding he sends a man (*enganchador*) to the neighbourhood to open a list. The terms he offers are fixed wages, a sum of money for travelling expenses for each family, the immediate payment of all debts, and a part of the wages paid on account. In a few days the list is complete for the sum paid on account decides the labourers who do not see that in accepting it they are binding themselves with a stronger chain.

This system of recruiting has one great defect; it secures labourers, not by offering them a prospect of improving their position and obtaining higher wages, but by the attraction of a small sum on account, which they spend at the public houses (*pulquerías*), thus increasing the tendency to

coholism. Thus, instead of effort being made to instruct the working man and raise his standard of life, profit is made out of his vices.

The limited requirements of the labourer and the attraction of a little money on account explain why wages remain very low. A day labourer receives from 0.25 to 0.30 pesos a day (60 to 75 centimes). This low wage, by reducing the cost of production, increases the rent of land and stimulates the extensive agriculture of great capitalists.

This is the reason why in Mexico land of which the productive power is less than that of land in Canada, the Argentine Republic and the United States is yet more valuable (1) than where the labourers demand a larger share of the yield.

Besides, as Lauro Viadas observes in an official report, the low rate of wages drives away those labourers whose education and requirements are above the common level; they are compelled to seek higher pay in other countries. Hence arises a curious phenomenon; Mexican emigration, increases every year while attempt is made to encourage foreign immigration that the riches of the country may be turned to account.

In the opinion of competent Mexican writers, the solution of the labour question is the education of the peasant; his standard of living must be raised and his requirements increased in order to accustom him to regular work to satisfy these. In this way alone will he become a true collaborator with his employers.

4. *Rural Holdings and Colonisation.* — In Mexico the system of large estates prevails, the typical *latifundium* being constituted by means of land conceded by the State with improvident liberality. The conditions of Mexican agriculture, the fertility of the soil, the small cost of labour and the high price of agricultural produce give large profits to the farmer from extensive cultivation or livestock improvement. Besides, many of these *latifundia* lie uncultivated through neglect or want of capital, in the hands of large families who would think it a disgrace to sell them. Thus neither private persons nor capitalists undertaking farming have any inducement to divide land, on the contrary, there is a tendency to round off the estates with the hope of a rise in the value of land.

Till 1909 any one might purchase (*denunciar*) national land of which the boundaries had generally been fixed by foreign companies in exchange for one third of the area. The *denuncia* of such land consisted in an offer of sale by the nation to the applicant, who, having paid the price, incurred no other obligation. By this system any one who was *au courant* as regarded the boundaries fixed could purchase immense tracts at an absurdly low price (from 2 to 10 pesos per hectare). Nearly all the *latifundia* thus formed are uncultivated, for they were bought merely as a speculation, and they will remain so till they are bought at a high price by some

(1) Land capable of irrigation and fit for corn fields is not sold under 300 pesos per hectare, and not seldom land for the cultivation of cotton and sugar is sold at from 1,400 to 1,500 pesos per hectare.

company, if the land is suited for any kind of crop and can be easily irrigated.

In this way the land has been concentrated in the hands of a few proprietors and a very considerable part is uncultivated. Of the cultivated area there are no statistics but it is calculated that of the 2,000,000 square kilometres in the whole country, about 400,000 are incapable of cultivation leaving 1,600,000 square kilometres of which only one fourth is actually cultivated.

The great disproportion between the number of land holders and of the members of the proletariat has already given rise to conflicts originating in a claim for the division and free distribution of the land among the peasantry.

There is no doubt that the agricultural question in Mexico is largely a land question, and the authorities have more than once attempted to deal with it as such. For example, in 1909, a decree was made to suspend the power of alienating uncultivated land (*balidos*) belonging to the nation by the system of *denuncias*, so as to prevent further concentration of it in the hands of a few. In 1912 the Department of Fomento issued a circular containing the necessary instructions for fixing boundaries and for the division and distribution of *ejidos* or communal property.

The Government has also tried to found rural colonies on the system of *denuncia* of national land and by means of immigration, but without satisfactory results in either case. As regards immigration, attempts have been made with non-Europeans, more especially with Boers and Japanese but the results have not been satisfactory.

5. *The Conclusions of the National Agricultural Commission.* — The authorities, seeing that the solution of the land question grew every day more urgent, proposed to study a vast land programme; and to settle in different parts of the country "the largest possible number of producers, in conditions favourable to their independence and prosperity, so that developments in other directions and the exploitation of new sources of production and of wealth may become possible".

The objects of this policy may be divided into two classes :

(1) the increase of production by irrigation works, the influx of capital and the employment of scientific systems of cultivation etc... (2) a better distribution of land, colonisation by division of the *latifundia* and the creation of small holdings.

In order to accomplish these objects the Government has recently appointed a *National Agricultural Commission*, composed of farmers, engineers, lawyers and others whose competence in economic, juridical and social matters is generally recognised.

Before beginning its labours, the Commission drew up a complete programme for the study of the land question in all its aspects. This vast and detailed programme comprises the preservation of forests and the encouragement of sylviculture, the regulation and utilisation of water-courses, the extension and intensification of cultivation by means of the

vision of the large estates, labour contracts, immigration, agricultural education, importation of agricultural implements and machinery and manures, encouragement of the cultivation of textile plants, etc. roads, land credit, the encouragement of livestock improvement and rural industries. But, considering that the collection of data and the minute study of all these questions would defer the solution of those which are still more urgent, the Commission decided to concentrate its attention first of all on irrigation, division of farms and colonisation.

In view of the immense quantity of irrigation works required in the whole country, the Commission recommends the Government to undertake without delay those works which are under consideration or already studied, such as those of the *haciendas* of Amapa and of Costeña in the State of Tepic, and of Peñuelas in that of Jalpa. This should be done without prejudice to the ulterior examination of the general problem.

In its report the Commission declares that the colonisation of the country can only be accomplished by means of the encouragement of the natural course of immigration that is by opening to the foreign agriculturist the possibility of attaining in the Republic a higher degree of prosperity than in his own country, and with less effort: and also facilitating for Mexicans the purchase of land giving a certain return in the proximity of the large markets so that they may hope to accumulate savings and may face the future with confidence. While leaving the door open to foreigners, it is recommended to give the preference to Mexicans, and attempt to bring back those who have emigrated and to employ the Mexican labour remaining in the country. With this object, the Government should endeavour immediately to distribute the communal lands, (*ejidos*) of collective use and others of similar character among poor labourers, on condition that the land shall not be transferable for 20 years.

Holdings capable of irrigation and those which, owing to their situation, their soil or their salubrity, give promise of remuneration to the agriculturist, must be divided.

The Commission then, having studied the subject of the holdings most desirable for the Government to buy with a view to parcelling them out, recommends that those be chosen that can be irrigated and cultivated, and are purchasable at a price not above 25 pesos per hectare. The purchase at a high price of large estates already in course of cultivation would impose heavy pecuniary burdens on the Government and would limit the number of farmers benefited, without much increasing the national wealth. The Government must carry out at its own expense on the holdings it may purchase the works required to ensure good results such as irrigation, reclamation, drainage, breaking up virgin soil, the opening of country roads and cart roads from the interior to the nearest railway stations etc.

Lots of ground will be sold to labourers who have a small capital, or to those who by good conduct and ability may be able to obtain it. This capital must be invested in the purchase of the necessary livestock, agricultural implements and farm requisites. To poor labourers without capital to begin farming the Government may grant holdings on lease

or as métairies with a promise to sell, thus encouraging the foundation of land credit and of co-operative societies.

No lot will be more than 100 hectares in area. No single person may buy more than 200 hectares.

In fixing the price of the lots, it will be necessary to consider, in addition to the works already accomplished, such as canals, supply of water, roads etc., in fact everything done to improve the property, the price per unit of area of other land in the neighbourhood and the quantity, quality and total value of the crops the lot can produce.

Every lot will have right to a supply of water in proportion to the area to be irrigated. The Government will undertake the work of irrigation as long as the holder cultivates one half of the tract to be irrigated. Besides this, the colonists will be bound to form a society to supervise the use of the water according to rules to be established by the Government.

The lots will be sold preferably to Mexicans who wish to return to their country, and to poor labourers, citizens of the State.

Payment must be made within 20 years at latest. During the first five years the rate of interest will be 6 % on the purchase price and during each of the following 15 years the same interest must be paid, together with an instalment towards the extinction of the debt.

Those persons who buy one lot or more in a "colony" must engage to reside there. No colonist who does not fulfil this obligation may benefit by the delay allowed for payment, and this term will be held to have expired from the day on which he violates the above condition.

The Government will decide on the amount of ground necessary for the maintenance of a family; this area will be inalienable for 20 years and can not be subjected to any charge and will not be distrainable, except in case of judicial execution in connection with the mortgage passed in guarantee of the purchase money.

Besides considering direct colonisation, the Commission also turned its attention to indirect colonisation; the Government may make contracts with private persons, whether Mexicans or foreigners or with Mexican societies for the division and sale of land to colonists.

In such cases it may give special facilitations, such as free grants of national land, sell at cost price land purchased from private persons, with a view to subdivision, exempt for five years from any tax on the capital invested in the undertaking, and, once only, from customs dues on implements, machinery, articles of food, building materials, livestock for farm work or breeding stock and all farm requisites generally. The Government also shall transport, at its expense, on subsidised railway and shipping lines the native or foreign labourers proceeding to settle on the land.

There will be offered for sale or on lease for farms or for métairies with right of purchase, a number of lots representing at least a third part of the area subdivided, as soon as they are in a condition fit for irrigation, and the limit of time after which the rest of the lots may be offered for sale will be fixed in the contract. The Government may grant to purchasers of lots:

(1) Exemption to Mexicans from military service except in case of foreign war :

(2) Personal exemption, not transferable, once only, from customs dues on utensils, implements, articles of food, machinery, household furniture and livestock for farm work or breeding stock, all for use on the lot.

(3) Personal exemption (not transferable) for 20 years from duty on the export of produce.

(4) Exemption from charges on registration of signatures and on passports granted by consular agents to foreign workmen who come to settle in one of the agricultural "Colonies".

The Government shall appoint in each colony a sufficient number of employees to instruct small holders in the use of agricultural implements and machinery with other practical instruction. This system of agricultural instruction will provide for the urgent necessities of the moment and will only be a first step to the foundation of educational establishments, and experimental farms in the whole Republic.

The Commission concluded its proposals by suggesting the creation of a permanent commission for irrigation, subdivision and colonisation.

